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83D CONGRESS  
1ST SESSION

# H. R. 5877

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 22, 1953

Mr. JENKINS introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend certain administrative provisions of the Tariff Act of 1930 and related laws, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3               SHORT TITLE AND EFFECTIVE DATE

4       SECTION 1. This Act may be cited as the "Customs  
5       Simplification Act of 1953" and shall be effective, except as  
6       otherwise specially provided for, on and after the thirtieth  
7       day following the date of its enactment.

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## 1            REPEAL OF OBSOLETE ACCOUNTING PROVISIONS

2            SEC. 2. (a) The following sections of the Revised  
 3 Statutes (relating to obsolete functions of customs officers  
 4 and functions of such officers now provided for by other laws)  
 5 are hereby repealed:

6            Revised Statutes 2621, as amended (U. S. C., 1946  
 7 edition, title 19, sec. 33).

8            Revised Statutes 2622, as amended (U. S. C., 1946  
 9 edition, title 19, sec. 34).

10          Revised Statutes 2623, as amended (U. S. C., 1946  
 11 edition, title 19, sec. 35).

12          Revised Statutes 2626, as amended (U. S. C., 1946  
 13 edition, title 19, sec. 39).



1 Revised Statutes 2639, as amended (U. S. C., 1946  
2 edition, title 19, sec. 42) .

3 Revised Statutes 2640, as amended (U. S. C., 1946  
4 edition, title 19, sec. 43) .

5 Revised Statutes 2641, as amended (U. S. C., 1946  
6 edition, title 19, sec. 44) .

7 Revised Statutes 2643, as amended (U. S. C., 1946  
8 edition, title 19, sec. 45) .

9 (b) Section 439 of the Tariff Act of 1930 (U. S. C.,  
10 1946 edition, title 19, sec. 1439) is amended by deleting  
11 “the comptroller of customs for the district in which the port  
12 of entry is located” and substituting therefor “such employee  
13 as the Secretary of the Treasury shall designate”, and by  
14 deleting “said comptroller of customs” and substituting there-  
15 for “such employee designated by the Secretary”.

16 (c) Section 440 of the Tariff Act of 1930 (U. S. C.,  
17 1946 edition, title 19, sec. 1440) is amended by deleting  
18 “the comptroller of customs for the district in which the  
19 port of entry is located” and substituting therefor “such  
20 employee as the Secretary of the Treasury shall designate”.

21 (d) Section 523 of the Tariff Act of 1930 (U. S. C.,  
22 1946 edition, title 19, sec. 1523) is amended to read as  
23 follows:

1   **"SEC. 523. EXAMINATION OF ACCOUNTS.**

2       "The Secretary of the Treasury or such officer or em-  
3   ployee as he shall designate, shall, under regulations and  
4   instructions prescribed by the Secretary—

5       "(1) examine the collectors' accounts of receipts  
6       and disbursements of money and receipts and disposition  
7       of merchandise; and

8       "(2) verify, to such extent as the Secretary of  
9       the Treasury shall direct, assessments of duties and taxes  
10      and allowances of drawback."

11                   **EFFECTIVE DATES OF RATES OF DUTY**

12      **SEC. 3.** (a) Section 315 of the Tariff Act of 1930, as  
13   amended (U. S. C., 1946 edition, title 19, sec. 1315), is  
14   further amended to read as follows:

15   **"SEC. 315. EFFECTIVE DATES OF RATES OF DUTY.**

16       "(a) Except as otherwise specially provided for, the  
17   rate or rates of duty imposed by or pursuant to this Act or  
18   any other law on any article entered for consumption or  
19   withdrawn from warehouse for consumption shall be the  
20   rate or rates in effect when the documents comprising the  
21   entry for consumption or withdrawal from warehouse for  
22   consumption and any estimated or liquidated duties then  
23   required to be paid have been deposited with the appropriate  
24   customs officer in the form and manner prescribed by regula-  
25   tions of the Secretary of the Treasury, except that—

1 “(1) any article released under an informal mail  
2 entry shall be subject to duty at the rate or rates in  
3 effect when the preparation of the entry is completed;  
4 and

5 “(2) any article which is not subject to a quanti-  
6 tative or tariff-rate quota and which is covered by an  
7 entry for immediate transportation made at the port of  
8 original importation under section 552 of this Act, if  
9 entered for consumption at the port designated by the  
10 consignee, or his agent, in such transportation entry with-  
11 out having been taken into the custody of the collector  
12 under section 490 of this Act, shall be subject to the  
13 rate or rates in effect when the transportation entry was  
14 accepted at the port of original importation.

15 “(b) Any article which has been entered for consump-  
16 tion but which, before release from customs custody, is re-  
17 moved from the port or other place of intended release  
18 because of inaccessibility, overcarriage, strike, act of God,  
19 or unforeseen contingency, shall be subject to duty at the  
20 rate or rates in effect when the entry for consumption and  
21 any required duties were deposited in accordance with sub-  
22 section (a) of this section, but only if the article is returned  
23 to such port or place within ninety days after the date of re-  
24 moval and the identity of the article as that covered by the



1 entry is established in accordance with regulations pre-  
2 scribed by the Secretary of the Treasury.

3 “(c) Insofar as duties are based upon the quantity of  
4 any merchandise, such duties shall, except as provided in  
5 paragraph 813 and section 562 of this Act (relating re-  
6 spectively to certain beverages and to manipulating ware-  
7 houses), be levied and collected upon the quantity of such  
8 merchandise at the time of its importation.

9 “(d) No administrative ruling resulting in the impo-  
10 sition of a higher rate of duty or charge than the Secretary  
11 of the Treasury shall find to have been applicable to imported  
12 merchandise under an established and uniform practice shall  
13 be effective with respect to articles entered for consumption  
14 or withdrawn from warehouse for consumption prior to the  
15 expiration of thirty days after the date of publication in  
16 the weekly Treasury Decisions of notice of such ruling; but  
17 this provision shall not apply with respect to the imposition  
18 of antidumping duties.”

19 (b) Section 484 (f) of the Tariff Act of 1930, as  
20 amended (U. S. C., 1946 edition, title 19, sec. 1484 (f) ),  
21 is further amended by changing the period at the end to a  
22 semicolon and adding “except that, in the case of articles  
23 not subject to a quantitative or tariff-rate quota, entry for  
24 the entire quantity covered by an entry for immediate trans-  
25 portation made under section 552 of this Act may be accepted

1 at the port of entry designated by the consignee, or his agent,  
2 in such entry after the arrival of any part of such quantity at  
3 such designated port or at such other place of deposit as  
4 may be authorized in accordance with regulations prescribed  
5 by the Secretary of the Treasury.”

#### 6 MARKING

7 SEC. 4. (a) Paragraphs 28, 354, 355, 357, 358, 359,  
8 360, 361, and 1553 of the Tariff Act of 1930 (U. S. C.,  
9 1946 edition, title 19, sec. 1001, pars. 28, 354, 355, 357,  
10 358, 359, 360, 361, and 1553) are amended as follows:

11 Paragraph 28 is amended by deleting from subparagraph  
12 (f) “the immediate container and”.

13 Paragraph 354 is amended by deleting the second  
14 proviso.

15 Paragraphs 355, 357, 358, 359, 360, and 361 are  
16 amended by deleting the provisos.

17 Paragraph 1553 is amended by deleting both provisos.

18 (b) The following sections of the Revised Statutes are  
19 repealed:

20 Revised Statutes 2934 (U. S. C., 1946 edition, title 19,  
21 sec. 134).

22 Revised Statutes 2885 (U. S. C., 1946 edition, title 19,  
23 sec. 273).

24 Revised Statutes 2886 (U. S. C., 1946 edition, title 19,  
25 sec. 274).

1       (c) Section 304 (a) (3) of the Tariff Act of 1930, as  
2 amended (U. S. C., 1946 edition, title 19, sec. 1304 (a)  
3 (3) ), is further amended by deleting “or” at the end of  
4 subdivision (I) ; by changing the period at the end of sub-  
5 division (J) to a semicolon and by adding “or”; and by  
6 adding a new subdivision (K) as follows:

7               “(K) Such article cannot be marked after im-  
8 portation except at an expense which is economically  
9 prohibitive, and the failure to mark the article be-  
10 fore importation was not due to any purpose of the  
11 importer, producer, seller, or shipper to avoid com-  
12 pliance with this section.”

13               TRANSPORTATION OF LEAD-BEARING AND  
14               ZINC-BEARING ORES

15       SEC. 5. (a) Paragraph 391 of the Tariff Act of 1930, as  
16 amended (U. S. C., 1946 edition, title 19, sec. 1001, par.  
17 391) , is further amended by changing the colon at the end  
18 of the first proviso to a period; and by amending the rest  
19 of the paragraph to read as follows: “The Secretary of the  
20 Treasury is authorized to make all necessary regulations to  
21 enforce the provisions of this paragraph.”

22       (b) Paragraph 393 of the Tariff Act of 1930, as  
23 amended (U. S. C., 1946 edition, title 19, sec. 1001, par.  
24 393) , is further amended by changing the colon at the end  
25 of the first proviso to a period; and by amending the rest of



1 the paragraph to read as follows: "The Secretary of the  
2 Treasury is authorized to make all necessary regulations to  
3 enforce the provisions of this paragraph."

4 REPEAL OF CERTAIN OBSOLETE RECIPROCAL PROVISIONS

5 SEC. 6. (a) Paragraph 812 of the Tariff Act of 1930  
6 (U. S. C., 1946 edition, title 19, sec. 1001, par. 812) is  
7 amended by deleting the proviso (relating to the importation  
8 of spirits in certain containers).

9 (b) Section 320 of the Tariff Act of 1930 (U. S. C.,  
10 1946 edition, title 19, sec. 1320), relating to reciprocal  
11 agreements covering advertising matter, is repealed.

12 AMERICAN GOODS RETURNED

13 SEC. 7. Paragraph 1615 (f) of the Tariff Act of 1930,  
14 as amended (U. S. C., 1946 edition, title 19, sec. 1201,  
15 par. 1615 (f) ), is further amended by adding at the end  
16 thereof the following new sentences: "When because of the  
17 destruction of customs records or for other cause it is im-  
18 practicable to establish whether drawback was allowed, or  
19 to determine the amount of drawback allowed, on a reim-  
20 ported article excepted under subparagraph (e), there shall  
21 be assessed thereon an amount of duty equal to the estimated  
22 drawback and internal-revenue tax which would be allowable  
23 or refundable if the imported merchandise used in the manu-  
24 facture or production of the reimported article were dutiable

1 or taxable at the rate applicable to such merchandise on the  
2 date of importation, but in no case more than the duty and  
3 tax that would apply if the article were originally imported.  
4 In order to facilitate the ascertainment and collection of the  
5 duty provided for in this subparagraph, the Secretary of the  
6 Treasury is authorized to ascertain and specify the amounts  
7 of duty equal to drawback or internal-revenue tax which  
8 shall be applied to articles or classes or kinds of articles, and  
9 to exempt from the assessment of duty articles or classes or  
10 kinds of articles excepted under subparagraph (e) with  
11 respect to which the collection of such duty involves expense  
12 and inconvenience to the Government which is disproportion-  
13 ate to the probable amount of such duty.”

14 FREE ENTRY PROVISIONS FOR TRAVELERS

15 SEC. 8. Paragraph 1798 of the Tariff Act of 1930, as  
16 amended (U. S. C., 1946 edition, title 19, sec. 1201, par.  
17 1798), is further amended to read as follows:

18 “PAR. 1798. (a) Professional books, implements, in-  
19 struments, and tools of trade, occupation, or employment,  
20 when imported by or for the account of any person arriving  
21 in the United States by whom or for whose account they  
22 were taken abroad.

23 “(b) In the case of any person arriving in the United  
24 States who is not a returning resident thereof—

25 “(1) wearing apparel, articles of personal adorn-

ment, toilet articles, and similar personal effects; all the foregoing, if actually owned by and in the possession of such person abroad at the time of or prior to his departure for the United States, and if appropriate for his own personal use and intended only for such use and not for any other person nor for sale;

“(2) automobiles, trailers, aircraft, motorcycles, bicycles, baby carriages, boats, horse-drawn conveyances, horses, and similar means of transportation, and the usual equipment accompanying the foregoing; any of the foregoing imported in connection with the arrival of such person and to be used in the United States only for the transportation of such person, his family and guests, and such incidental carriage of articles as may be appropriate to his personal use of the conveyance; and

“(3) not exceeding \$200 in value of articles accompanying such a person who is in transit to a place outside United States customs territory and who will take the articles with him to such place.

“(c) In the case of any person arriving in the United States who is a returning resident thereof—

“(1) all personal and household effects taken abroad by him or for his account and brought back by him or for his account; and



1           “(2) articles (including not more than one wine  
2       gallon of alcoholic beverages and not more than one  
3       hundred cigars) acquired abroad as an incident of the  
4       journey from which he is returning, for his personal  
5       or household use, but not imported for the account of  
6       any other person nor intended for sale, if declared in  
7       accordance with regulations of the Secretary of the  
8       Treasury, up to but not exceeding in aggregate value—

9           “(A) \$200, if such person arrives from a con-  
10       tiguous country which maintains a free zone or free  
11       port (see subparagraph (d) ), or arrives from any  
12       other country after having remained beyond the  
13       territorial limits of the United States for a period  
14       of not less than forty-eight hours, and in either case  
15       has not claimed an exemption under this subdivision  
16       (A) within the thirty days immediately preceding  
17       his arrival; and

18           “(B) \$300 in addition, if such person has re-  
19       mained beyond the territorial limits of the United  
20       States for a period of not less than twelve days and  
21       has not claimed an exemption under this subdivision  
22       (B) within the six months immediately preceding  
23       his arrival.

24           “(d) In the case of persons arriving from a contiguous  
25       country which maintains a free zone or free port, if the

1 Secretary of the Treasury deems it necessary in the public  
2 interest and to facilitate enforcement of the requirement that  
3 the exemption shall apply only to articles acquired as an  
4 incident of the foreign journey, he shall prescribe by  
5 regulation or instruction, the application of which may be  
6 restricted to one or more ports of entry, that the exemption  
7 authorized by subdivision (2) (A) of subparagraph (c)  
8 shall be allowed only to residents who have remained be-  
9 yond the territorial limits of the United States for not less  
10 than a specified period, not to exceed twenty-four hours,  
11 and after the expiration of ninety days after the date of such  
12 regulation or instruction allowance of the said exemption  
13 shall be subject to the limitations so prescribed.

14 “(e) Any article imported to replace a like article of  
15 comparable value previously exempted from duty under sub-  
16 division (c) of this paragraph shall be allowed free entry  
17 if the article previously exempted shall have been exported,  
18 under such supervision as the Secretary may prescribe, within  
19 sixty days after its importation because it was found by the  
20 importer to be unsatisfactory.

21 “(f) All articles exempted by this paragraph from the  
22 payment of duty shall be exempt also from the payment of  
23 any internal-revenue tax imposed upon or by reason of  
24 importation.

25 “(g) If any jewelry or similar articles of personal

1 adornment having a value of \$300 or more which have been  
2 exempted from duty under subdivision (1) of subparagraph  
3 (b) or any article which has been exempted from duty  
4 under subdivision (2) (B) of subparagraph (c) is sold  
5 within three years after the date of importation, or if any  
6 article which has been exempted from duty under subdivision  
7 (2) of subparagraph (b) is sold within one year after the  
8 date of importation, without prior payment to the United  
9 States of the duty which would have been payable at the  
10 time of entry if the article had been entered without the  
11 benefit of this paragraph, such article, or its value (to be  
12 recovered from the importer), shall be subject to forfeiture.  
13 A sale pursuant to a judicial order or in liquidation of the  
14 estate of a decedent shall not be subject to the provisions  
15 of this subparagraph.

16 “(h) The Secretary of the Treasury shall prescribe  
17 methods and regulations for carrying out the provisions of  
18 this paragraph. No exemption provided for in this para-  
19 graph shall be applied to any article which is not declared  
20 in accordance with such regulations.”

21 FREE ENTRY FOR NONCOMMERCIAL EXHIBITIONS

22 SEC. 9. (a) Paragraph 1809 of the Tariff Act of 1930  
23 (U. S. C., 1946 edition, title 19, sec. 1201, par. 1809),  
24 is amended by inserting “within five years after the date



1 of entry hereunder" after "used contrary to this provision";  
2 by inserting "within such five-year period" after "at any  
3 time"; and by deleting "and the preceding".

4 (b) The conditions of any bond in force on the effective  
5 date of this Act in respect of articles previously entered  
6 under the provisions of paragraph 1809 or the corresponding  
7 provisions of any Tariff Act prior to the Tariff Act of 1930  
8 shall be deemed to have been satisfied upon the effective date  
9 of this Act or upon the expiration of five years from the date  
10 such articles were entered, whichever is later, except with  
11 respect to any violation which has occurred or which shall  
12 have occurred before such time.

13 TEMPORARY FREE ENTRY FOR SAMPLES AND OTHER

14 ARTICLES UNDER BOND

15 SEC. 10. (a) (1) The part of section 308 of the Tariff  
16 Act of 1930, as amended (U. S. C., 1946 edition, title 19,  
17 sec. 1308), following the heading and preceding the num-  
18 bered items is amended to read as follows:

19 "The following articles, when not imported for sale  
20 or for sale on approval, may be admitted into the United  
21 States under such rules and regulations as the Secretary of  
22 the Treasury may prescribe, without the payment of duty,  
23 under bond for their exportation within one year from the date  
24 of importation, which period, in the discretion of the Secre-

1 tary of the Treasury, may be extended, upon application, for  
2 one or more further periods which, when added to the initial  
3 one year, shall not exceed a total of three years:”.

4 (2) The amendment made by paragraph (1) shall be  
5 effective with respect to articles imported before or after  
6 this section is enacted.

7 (b) Section 308 (3) of the Tariff Act of 1930  
8 (U. S. C., 1946 edition, title 19, sec. 1308 (3) ) is amended  
9 by inserting immediately after the word “Samples” the fol-  
10 lowing: “(but not including photoengraved printing plates  
11 imported to be reproduced) ”.

12 (c) Section 308 (4) of the Tariff Act of 1930  
13 (U. S. C., 1946 edition, title 19, sec. 1308 (4) ) is amended  
14 to read as follows:

15 “(4) Articles intended solely for testing, experi-  
16 mental, or review purposes, including plans, specifica-  
17 tions, drawings, blueprints, photographs, and similar  
18 articles for use in connection with experiments or for  
19 study, and upon satisfactory proof that any such article  
20 has been destroyed because of its use for any such pur-  
21 pose the obligation under such bond to export such  
22 articles shall be treated as satisfied;”.

(d) Section 308 (5) of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1308 (5)), is further amended to read as follows:

“(5) Automobiles, motorcycles, bicycles, airplanes, airships, balloons, boats, racing shells, and similar vehicles and craft, and the usual equipment of the foregoing; all the foregoing which are brought temporarily into the United States by nonresidents for the purpose of taking part in races or other specific contests;”.

(e) Section 308 (7) of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1308 (7)), is amended to read as follows:

“(7) Containers for compressed gases, filled or empty, and containers or other articles in use for covering or holding merchandise (including personal or household effects) during transportation and suitable for reuse for that purpose;” .

(f) Section 308 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1308), is further amended by changing the period at the end thereof to a semicolon and adding the following new subdivisions:

1           “(10) Animals and poultry brought into the United  
2 States for the purpose of breeding, exhibition, or com-  
3 petition for prizes, and the usual equipment therefor;

4           “(11) Theatrical scenery, properties, and apparel  
5 brought into the United States by proprietors or man-  
6 agers of theatrical exhibitions arriving from abroad for  
7 temporary use by them in such exhibitions; and

8           “(12) Works of art, drawings, engravings, photo-  
9 graphic pictures, and philosophical and scientific ap-  
10 paratus brought into the United States by professional  
11 artists, lecturers, or scientists arriving from abroad for  
12 use by them for exhibition and in illustration, promo-  
13 tion, and encouragement of art, science, or industry in  
14 the United States.”

15           (g) Paragraph 1607 of the Tariff Act of 1930 (U. S. C.,  
16 1946 edition, title 19, sec. 1201, par. 1607), is amended  
17 to read as follows:

18           “PAR. 1607. (a) Teams of animals, including their  
19 harness and tackle, and the wagons or other vehicles actually  
20 owned by persons emigrating from foreign countries to the  
21 United States with their families, and in actual use for the  
22 purpose of such emigration, under such regulations as the  
23 Secretary of the Treasury may prescribe.

24           “(b) Wild animals and birds intended for exhibition



1 in zoological collections for scientific or educational purposes,  
2 and not for sale or profit.”

3 (h) Paragraph 1747 of the Tariff Act of 1930 (U. S. C.,  
4 1946 edition, title 19, sec. 1201, par. 1747), is amended  
5 by changing the second semicolon to a period and deleting  
6 the remainder of the paragraph.

7 (i) Paragraph 1808 of the Tariff Act of 1930 (U. S. C.,  
8 1946 edition, title 19, sec. 1201, par. 1808), is repealed.

9 SUPPLIES AND EQUIPMENT FOR VESSELS AND AIRCRAFT

10 SEC. 11. (a) Subsections (a) and (b) of section 309 of  
11 the Tariff Act of 1930, as amended (U. S. C., 1946 edition,  
12 title 19, sec. 1309 (a) and (b)), relating to articles for  
13 certain vessels and aircraft, are further amended to read as  
14 follows:

15 “(a) EXEMPTION FROM DUTIES AND TAXES.—Articles  
16 of foreign or domestic origin may be withdrawn, under such  
17 regulations as the Secretary of the Treasury may prescribe,  
18 from any customs bonded warehouse, from continuous cus-  
19 toms custody elsewhere than in a bonded warehouse, or  
20 from a foreign-trade zone free of duty and internal-revenue  
21 tax, or from any internal-revenue bonded warehouse, from  
22 any brewery, or from any winery premises or bonded  
23 premises for the storage of wine, free of internal-revenue  
24 tax—

1           “(1) for supplies (not including equipment) of  
2       (A) vessels or aircraft operated by the United  
3       States, (B) vessels of the United States employed in  
4       the fisheries or in the whaling business, or actually  
5       engaged in foreign trade or trade between the Atlantic  
6       and Pacific ports of the United States or between the  
7       United States and any of its possessions, or (C) aircraft  
8       registered in the United States and actually engaged in  
9       foreign trade or trade between the United States and  
10      any of its possessions; or

11          “(2) for supplies (including equipment) or repair  
12      of (A) vessels of war of any foreign nation, or (B)  
13      foreign vessels employed in the fisheries or in the whal-  
14      ing business, or actually engaged in foreign trade or  
15      trade between the United States and any of its posses-  
16      sions, where such trade by foreign vessels is permitted;  
17      or

18          “(3) for supplies (including equipment), ground  
19      equipment, maintenance, or repair of aircraft registered  
20      in any foreign country and actually engaged in foreign  
21      trade or trade between the United States and any of its  
22      possessions, where trade by foreign aircraft is permitted.  
23      With respect to articles for ground equipment, the ex-  
24      emption hereunder shall apply only to duties and to taxes  
25      imposed upon or by reason of importation.



1       “(b) DRAWBACK.—Articles withdrawn from bonded  
2   warehouses, bonded manufacturing warehouses, continuous  
3   customs custody elsewhere than in a bonded warehouse, or  
4   from a foreign-trade zone, and articles of domestic manufac-  
5   ture or production, laden as supplies upon any such vessel  
6   or aircraft of the United States or laden as supplies (includ-  
7   ing equipment) upon, or used in the maintenance or repair  
8   of, any such foreign vessel or aircraft, shall be considered to  
9   be exported within the meaning of the drawback provisions  
10  of this Act.”

11       (b) Section 317 (b) of the Tariff Act of 1930, as  
12  amended (U. S. C., 1946 edition, title 19, sec. 1317 (b) ),  
13  is amended to read as follows:

14       “(b) The shipment or delivery of any merchandise for  
15  use as supplies (including equipment) upon, or in the main-  
16  tenance or repair of any vessel or aircraft described in sub-  
17  division (2) or (3) of section 309 (a) of this Act, or for  
18  use as ground equipment for any such aircraft, shall be  
19  deemed an exportation within the meaning of the customs  
20  and internal-revenue laws applicable to the exportation of  
21  such merchandise without the payment of duty or internal-  
22  revenue tax. With respect to merchandise for use as ground  
23  equipment, such shipment or delivery shall not be deemed  
24  an exportation within the meaning of the internal-revenue

1 laws relating to taxes other than those imposed upon or by  
2 reason of importation.”

3 (c) Section 3115 of the Revised Statutes, as amended  
4 (U. S. C., 1946 edition, title 19, sec. 258), is further  
5 amended by—

6 (1) striking out the comma at the end of para-  
7 graph (2) and inserting in lieu thereof “; or” and  
8 inserting after paragraph (2) the following new  
9 paragraph:

10 “(3) that such equipments, or parts thereof, or  
11 materials, or labor, were used as dunnage for cargo,  
12 or for the packing or shoring thereof, or in the erection  
13 of bulkheads or other similar devices for the control of  
14 bulk cargo, or in the preparation of tanks for the car-  
15 riage of liquid cargo;” and

16 (2) striking out “such equipments” the last place  
17 it appears in such section and inserting in lieu thereof  
18 “such equipments or parts thereof or materials”.

19 **DRAWBACK**

20 SEC. 12. (a) Section 313 (b) of the Tariff Act of  
21 1930, as amended (U. S. C., 1946 edition, title 19, sec.  
22 1313 (b) ), is further amended by deleting “one year” and  
23 substituting therefor “three years”.

24 (b) Section 313 (c) of the Tariff Act of 1930 (U. S. C.,

1 1946 edition, title 19, sec. 1313 (c) ), is amended by insert-  
2 ing “or shipped without the consent of the consignee” after  
3 “sample or specifications”; by deleting “thirty days” and  
4 substituting therefor “ninety days”; and by inserting “unless  
5 the Secretary authorizes in writing a longer time”, following  
6 “after release from customs custody,”.

7 (c) Section 313 of the Tariff Act of 1930, as amended  
8 (U. S. C., 1946 edition, title 19, sec. 1313), is further  
9 amended by revising subsections (h) and (i) thereof to  
10 read as follows:

11 “(h) TIME LIMITATION ON EXPORTATION.—No draw-  
12 back shall be allowed under the provisions of this section  
13 unless the completed article is exported within five years  
14 after importation of the imported merchandise.

15 “(i) REGULATIONS.—Allowance of the privileges pro-  
16 vided for in this section shall be subject to compliance with  
17 such rules and regulations as the Secretary of the Treasury  
18 shall prescribe, which may include, but need not be limited  
19 to, the fixing of a time limit within which drawback entries  
20 or entries for refund under any of the provisions of this  
21 section or section 309 (b) of this Act shall be filed and  
22 completed, and the designation of the person to whom any  
23 refund or payment of drawback shall be made.”

## 1 ADMINISTRATIVE EXEMPTION

2 SEC. 13. Section 321 of the Tariff Act of 1930, as  
3 amended (U. S. C., 1946 edition, title 19, sec. 1321), is  
4 amended to read as follows:

## 5 "SEC. 321. ADMINISTRATIVE EXEMPTIONS.

6 "(a) The Secretary of the Treasury, in order to avoid  
7 expense and inconvenience to the Government dispropor-  
8 tionate to the amount of revenue that would otherwise be  
9 collected, is hereby authorized, under such regulations as  
10 he shall prescribe, to—

11 "(1) disregard a difference of less than \$3 between  
12 the total estimated duties or taxes deposited, or the total  
13 duties or taxes tentatively assessed, with respect to any  
14 entry of merchandise and the total amount of duties or  
15 taxes actually accruing thereon; and

16 "(2) admit articles free of duty and of any tax  
17 imposed on or by reason of importation, but the aggre-  
18 gate value of articles imported by one person on one day  
19 and exempted from the payment of duty shall not  
20 exceed—

21 "(A) \$10 in the case of articles sent as bona  
22 fide gifts from persons in foreign countries to per-  
23 sons in the United States, or

24 "(B) \$10 in the case of articles accompanying,  
25 and for the personal or household use of, persons



arriving in the United States who are not entitled to any exemption from duty or tax under paragraph 1798 (c) (2) of this Act, or

“(C) \$1 in any other case.

The privilege of this subdivision (2) shall not be granted in any case in which merchandise covered by a single order or contract is forwarded in separate lots to secure the benefit of this subdivision (2).

“(b) The Secretary of the Treasury is authorized by regulations to diminish any dollar amount specified in subsection (a) and to prescribe exceptions to any exemption provided for in such subsection whenever he finds that such action is consistent with the purpose of such subsection or is necessary for any reason to protect the revenue or to prevent unlawful importations.”

#### INTERNATIONAL TRAFFIC AND RESCUE WORK

SEC. 14. The Tariff Act of 1930, as amended, is further amended by adding immediately following section 321 (U. S. C., 1946 edition, title 19, sec. 1321) a new section reading as follows:

#### “SEC. 322. INTERNATIONAL TRAFFIC AND RESCUE WORK.

“(a) Vehicles and other instruments of international traffic, of any class specified by the Secretary of the Treasury, shall be granted the customary exceptions from the applica-

1 tion of the customs laws to such extent and subject to such  
2 terms and conditions as may be prescribed in regulations or  
3 instructions of the Secretary of the Treasury.

4 “(b) The Secretary of the Treasury may provide by  
5 regulation or instruction for the admission, without entry and  
6 without the payment of any duty or tax imposed upon or  
7 by reason of importation, of—

8 “(1) aircraft, equipment, supplies, and spare parts  
9 for use in searches, rescues, investigations, repairs, and  
10 salvage in connection with accidental damage to aircraft;

11 “(2) fire-fighting and rescue and relief equipment  
12 and supplies for emergent temporary use in connection  
13 with conflagrations; and

14 “(3) rescue and relief equipment and supplies for  
15 emergent temporary use in connection with floods and  
16 other disasters.

17 Any articles admitted under the authority of this subsection  
18 and used otherwise than for a purpose herein expressed, or  
19 not exported in such time and manner as may be prescribed  
20 in the regulations or instructions herein authorized, shall be  
21 forfeited to the United States.”

22 **VALUE**

23 SEC. 15. (a) Section 402 of the Tariff Act of 1930,  
24 as amended (U. S. C., 1946 edition, title 19, sec. 1402),  
25 is further amended to read as follows:



1   “SEC. 402. VALUE.

2       “(a) BASIS.—Except as otherwise specifically provided  
3 for, the value of imported merchandise for the purposes of  
4 this Act shall be—

5           “(1) the export value;

6           “(2) if the export value cannot be determined sat-  
7 isfactorily, then the United States value;

8           “(3) if neither the export value nor the United  
9 States value can be determined satisfactorily, then the  
10 comparative value; or

11           “(4) if neither the export value, the United States  
12 value, nor the comparative value can be determined sat-  
13 isfactorily, then the constructed value; but

14           “(5) in the case of an article with respect to which  
15 there is in effect under section 336 a rate of duty based  
16 upon the American selling price of a domestic article,  
17 the value shall be the American selling price of such  
18 domestic article.

19       “(b) EXPORT VALUE.—The export value of imported  
20 merchandise shall be the market value or the price, at the  
21 time of exportation to the United States of the merchandise  
22 undergoing appraisement, at which such or similar mer-  
23 chandise is freely sold or, in the absence of sales, offered for  
24 sale in the principal markets of the country of exportation, in

1 the usual wholesale quantities and in the ordinary course of  
2 trade, for exportation to the United States, plus, when not  
3 included in such price, the cost of all containers and cover-  
4 ings of whatever nature and all other expenses incidental to  
5 placing the merchandise in condition, packed ready for  
6 shipment to the United States.

7 “(c) UNITED STATES VALUE.—The United States  
8 value of imported merchandise shall be the price, at the time  
9 of exportation to the United States of the merchandise under-  
10 going appraisement, at which such or similar imported  
11 merchandise is freely sold or, in the absence of sales, offered  
12 for sale in the principal market of the United States for  
13 domestic consumption, packed ready for delivery, in the usual  
14 wholesale quantities and in the ordinary course of trade, with  
15 allowances made for—

16 “(1) any commission usually paid or agreed to be  
17 paid on merchandise secured otherwise than by purchase  
18 or agreement to purchase; or, on merchandise secured  
19 by purchase or agreement to purchase, the addition for  
20 profit and general expenses usually made by sellers in  
21 such market on imported merchandise of the same class  
22 or kind as the merchandise undergoing appraisement;

23 “(2) the usual costs of transportation and insur-  
24 ance and other usual expenses from the place of ship-

ment to the place of delivery, not including any expense provided for in subdivision (1) ; and

“(3) the ordinary customs duties and other Federal taxes currently payable on such or similar merchandise by reason of its importation or Federal excise taxes on, or measured by the value of, such or similar merchandise, for which vendors at wholesale in the United States are ordinarily liable.

“If such or similar merchandise was not so sold or offered at the time of exportation of the merchandise undergoing appraisement, the United States value shall be determined, subject to the foregoing specifications of this subsection, from the price at which such or similar merchandise is so sold or offered at the earliest date after such time of exportation but before the expiration of ninety days after the importation of the merchandise undergoing appraisement.

“(d) COMPARATIVE VALUE.—The comparative value of imported merchandise shall be the equivalent of the export value as nearly as such equivalent may be determined by the appraiser on the basis of the export or United States value of other merchandise exported from the same country at the time the merchandise undergoing appraisement was exported which is comparable in construction and use with the

1 merchandise undergoing appraisement, with appropriate ad-  
2 justments for differences in size, material, construction,  
3 texture, or other differences.

4 “(e) **CONSTRUCTED VALUE.**—The constructed value of  
5 imported merchandise shall be the sum of—

6 “(1) the cost of materials and of fabrication or other  
7 processing of any kind employed in producing such or  
8 similar merchandise, at a time preceding the date of  
9 exportation of the merchandise undergoing appraisement  
10 which would ordinarily permit the production of that  
11 particular merchandise in the ordinary course of business;

12 “(2) an addition for general expenses and profit  
13 equal to that which producers in the country of produc-  
14 tion whose products are exported to the United States  
15 usually add in sales for exportation to the United States,  
16 in the usual wholesale quantities and in the ordinary  
17 course of trade, of merchandise of the same general  
18 class or kind as the merchandise undergoing appraise-  
19 ment; and

20 “(3) the cost of all containers and coverings of  
21 whatever nature, and all other expenses incidental to  
22 placing the merchandise undergoing appraisement in  
23 condition, packed ready for shipment to the United  
24 States.

25 “(f) **AMERICAN SELLING PRICE.**—The American sell-



1 ing price of any article manufactured or produced in the  
 2 United States shall be the price, including the cost of all  
 3 containers and coverings of whatever nature and all other  
 4 expenses incident to placing the merchandise in condition  
 5 packed ready for delivery, at which such article is freely  
 6 sold or, in the absence of sales, offered for sale for domestic  
 7 consumption in the principal market of the United States,  
 8 in the ordinary course of trade and in the usual wholesale  
 9 quantities, or the price that the manufacturer, producer, or  
 10 owner would have received or was willing to receive for such  
 11 merchandise when sold for domestic consumption in the  
 12 ordinary course of trade and in the usual wholesale quantities,  
 13 at the time of exportation of the imported article.

14 “(g) TAXES.—The value of imported merchandise  
 15 determined in accordance with this section shall not  
 16 include the amount of any internal tax, applicable within  
 17 the country of origin or exportation, from which the mer-  
 18 chandise undergoing appraisement has been exempted or has  
 19 been or will be relieved by means of refund.

20 “(h) DEFINITIONS.—As used in this section, the fol-  
 21 lowing terms shall have the meanings respectively indicated:

22 “(1) ‘Freely sold or, in the absence of sales, offered  
 23 for sale’—sold or, in the absence of sales, offered to  
 24 all purchasers at wholesale, or to one or more se-  
 25 lected purchasers at wholesale at a price not less than

1       that at which it would be sold to all purchasers at whole-  
2       sale, without restrictions as to the disposition or use of  
3       the merchandise by the purchaser, except restrictions as  
4       to such disposition or use which (A) are imposed or  
5       required by law, or (B) limit the price at which or the  
6       territory in which the merchandise may be resold, or  
7       (C) do not substantially affect the value of the mer-  
8       chandise to usual purchasers at wholesale.

9       “(2) ‘Ordinary course of trade’—the conditions and  
10      practices which, for a reasonable time prior to the ex-  
11      portation of the merchandise undergoing appraisement,  
12      have been normal in the trade under consideration with  
13      respect to merchandise of the same class or kind as the  
14      merchandise undergoing appraisement.

15      “(3) ‘Purchasers at wholesale’—purchasers who  
16      buy in the usual wholesale quantities for industrial use  
17      or for resale otherwise than at retail; or, if there are no  
18      such purchasers, then all other purchasers for resale who  
19      buy in the usual wholesale quantities; or, if there are  
20      no purchasers in either of the foregoing categories, then  
21      all other purchasers who buy in the usual wholesale  
22      quantities.

23      “(4) ‘Such or similar merchandise’—the merchan-  
24      dise undergoing appraisement shall be considered ‘such’

merchandise; and other merchandise shall be considered  
'such' merchandise if—

“(A) it is identical in physical characteristics  
and was produced in the same country by the same  
person; or

“(B) when no value meeting the requirements  
of the definition of value under consideration can  
be determined under (A), the merchandise is  
identical in physical characteristics and was pro-  
duced by another person in the same country.

Merchandise shall be considered 'similar' to the mer-  
chandise undergoing appraisement if it is not within the  
foregoing definition of 'such' merchandise but—

“(C) it was produced in the same country as  
the merchandise undergoing appraisement, by the  
same person, of like materials, is used for the same  
purpose, and is of approximately equal commercial  
value; or

“(D) when no value meeting the requirements  
of the definition of value under consideration can be  
determined under (C), the merchandise is cor-  
respondingly similar and was produced by another  
person in the same country.

“(5) 'Usual wholesale quantities'—the quantities

1 usually sold in the class of transactions in which the  
2 greater aggregate quantity of the 'such or similar mer-  
3 chandise', in respect of which value is being determined,  
4 is sold in the market under consideration."

5 (b) Paragraph 27 (c) of the Tariff Act of 1930  
6 (U. S. C., 1946 edition, title 19, sec. 1001, par. 27 (c) ),  
7 is amended by changing "subdivision (g)" to "subdivision  
8 (f)" and by changing "subdivision (e)" to "subdivision  
9 (c)".

10 (c) Paragraph 28 (c) of the Tariff Act of 1930  
11 (U. S. C., 1946 edition, title 19, sec. 1001, par. 28 (c) ),  
12 is amended by changing "subdivision (g)" to "subdivision  
13 (f)" and by changing "subdivision (e)" to "subdivision  
14 (c)".

15 (d) Section 336 (b) of the Tariff Act of 1930  
16 (U. S. C., 1946 edition, title 19, sec. 1336 (b) ), is amended  
17 by changing "section 402 (g)" to "section 402 (f)".

18 SIGNING AND DELIVERY OF MANIFESTS

19 SEC. 16. Section 431 of the Tariff Act of 1930 (U. S. C.,  
20 1946 edition, title 19, sec. 1431), is amended by designat-  
21 ing the matter now therein as subsection (a) and by add-  
22 ing a new subsection to read as follows:

23 "(b) Whenever a manifest of articles or persons on  
24 board an aircraft is required for customs purposes to be  
25 signed, or produced or delivered to a customs officer, the



1 manifest may be signed, produced, or delivered by the pilot  
2 or person in charge of the aircraft, or by any other author-  
3 ized agent of the owner or operator of the aircraft, subject  
4 to such regulations as the Secretary of the Treasury may  
5 prescribe. If any irregularity of omission or commission  
6 occurs in any way in respect of any such manifest, the  
7 owner or operator of the aircraft shall be liable for any fine  
8 or penalty prescribed by law in respect of such irregularity.”

9 CERTIFIED INVOICES AND ENTRY OF MERCHANDISE

10 SEC. 17. (a) Section 482 (a) of the Tariff Act of  
11 1930 (U. S. C., 1946 edition, title 19, sec. 1482 (a) ), is  
12 amended by substituting “required pursuant to section 484  
13 (b) of this Act to be certified” for “covering merchandise  
14 exceeding \$100 in value” in the first clause.

15 (b) Section 484 (a) of the Tariff Act of 1930 (U. S. C.,  
16 1946 edition, title 19, sec. 1484 (a) ), is amended by  
17 deleting “forty-eight hours” and substituting therefor “five  
18 days”.

19 (c) Section 484 (b) of the Tariff Act of 1930 (U. S. C.,  
20 1946 edition, title 19, sec. 1484 (b) ), is amended to read  
21 as follows:

22 “(b) PRODUCTION OF CERTIFIED INVOICE.—The  
23 Secretary of the Treasury shall provide by regula-  
24 tion for the production of a certified invoice with  
25 respect to such merchandise as he deems advisable and for

1 the terms and conditions under which such merchandise may  
2 be permitted entry under the provisions of this section  
3 without the production of a certified invoice.”

4 (d) Section 498 (a) (1) of the Tariff Act of 1930  
5 (U. S. C., 1946 edition, title 19, sec. 1498 (a) (1)) is  
6 amended to read as follows:

7 “(1) Merchandise, imported in the mails or other-  
8 wise, when the aggregate value of the shipment does not  
9 exceed such amount, not greater than \$250, as the Sec-  
10 retary of the Treasury shall specify in the regulations,  
11 and the specified amount may vary for different classes  
12 or kinds of merchandise or different classes of trans-  
13 actions;”.

14 (e) Section 498 (a) of the Tariff Act of 1930  
15 (U. S. C., 1946 edition, title 19, sec. 1498 (a)) is further  
16 amended by deleting subdivision (11) and substituting there-  
17 for a new subdivision to read as follows:

18 “(11) Merchandise within the provisions of para-  
19 graph 1631 of this Act.”

20 (f) The Act of June 8, 1896 (U. S. C., 1946 edition,  
21 title 19, secs. 472-475), is hereby repealed.

#### 22 VERIFICATION OF DOCUMENTS

23 SEC. 18. Section 486 of the Tariff Act of 1930 (U. S. C.,  
24 1946 edition, title 19, sec. 1486), is amended by changing  
25 the heading to read

1 "SEC. 486. ADMINISTRATION OF OATHS—VERIFICATION  
2 OF DOCUMENTS."

3 and by adding at the end thereof the following new sub-  
4 section:

5 " (d) VERIFICATION IN LIEU OF OATH.—The Secre-  
6 tary of the Treasury may by regulation prescribe that any  
7 document required by any law administered by the Customs  
8 Service to be under oath may be verified by a written dec-  
9 laration in such form as he shall prescribe, such declaration  
10 to be in lieu of the oath otherwise required."

11 AMENDMENT OF ENTRIES

12 SEC. 19. (a) Section 487 of the Tariff Act of 1930  
13 (U. S. C., 1946 edition, title 19, sec. 1487) is amended by  
14 deleting therefrom "or at any time before the invoice or  
15 the merchandise has come under the observation of the  
16 appraiser for the purpose of appraisement,".

17 (b) Section 489 of the Tariff Act of 1930 (U. S. C.,  
18 1946 edition, title 19, sec. 1489) is amended by deleting the  
19 first two paragraphs.

20 (c) Section 501 of the Tariff Act of 1930, as amended  
21 (U. S. C., 1946 edition, title 19, sec. 1501), is further  
22 amended by changing the period at the end of the first sen-  
23 tence to a comma and by inserting thereafter "or (3) in  
24 any case, if the consignee, his agent, or his attorney requests  
25 such notice in writing before appraisement, setting forth a



1 substantial reason for requesting the notice.”, by inserting  
2 in the second sentence after “appraiser” the clause “, in-  
3 cluding all determinations entering into the same,”, and  
4 by deleting the third sentence of the section.

5 (d) Section 503 of the Tariff Act of 1930 (U. S. C.,  
6 1946 edition, title 19, sec. 1503), is amended by deleting  
7 subsection (b), by redesignating subsection (c) as sub-  
8 section (b), and by amending subsection (a) to read as  
9 follows:

10 “(a) GENERAL RULE.—Except as provided in section  
11 562 of this Act (relating to withdrawal from manipulating  
12 warehouses), the basis for the assessment of duties on im-  
13 ported merchandise subject to ad valorem rates of duty shall  
14 be the final appraised value.”

15 (e) The Act of July 12, 1932 (ch. 473, 47 Stat. 657;  
16 U. S. C., 1946 edition, title 19, sec. 1503a), is repealed.

17 (f) Section 562 of the Tariff Act of 1930, as amended  
18 (U. S. C., 1946 edition, title 19, sec. 1562), is further  
19 amended by changing the third sentence to read as follows:  
20 “The basis for the assessment of duties on such merchandise  
21 so withdrawn for consumption shall be the adjusted final  
22 appraised value, and if the rate of duty is based upon or  
23 regulated in any manner by the value of the merchandise,  
24 such rate shall be based upon or regulated by such adjusted  
25 final appraised value.”



## COMMINGLED MERCHANDISE

SEC. 20. Section 508 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1508) is amended to read as follows:

**“SEC. 508. COMMINGLING OF GOODS.**

“(a) Whenever dutiable merchandise and merchandise which is free of duty or merchandise subject to different rates of duty are so packed together or mingled that the quantity or value of each class of such merchandise cannot be readily ascertained by the customs officers (without physical segregation of the shipment or the contents of any entire package thereof), by one or more of the following means: (1) Examination of a representative sample, (2) occasional verification of packing lists or other documents filed at the time of entry, or (3) evidence showing performance of commercial settlement tests generally accepted in the trade and filed in such time and manner as may be prescribed by regulations of the Secretary of the Treasury, and if the consignee or his agent shall not segregate the merchandise pursuant to subsection (b), then the whole of such merchandise shall be subject to the highest rate of duty applicable to any part thereof.

“(b) Every segregation of merchandise made pursuant to this section shall be accomplished by the consignee or his agent at the risk and expense of the consignee within thirty

1 days after the date of personal delivery or mailing, by such  
2 employee as the Secretary of the Treasury shall designate,  
3 of written notice to the consignee that the merchandise  
4 is commingled, unless the Secretary authorizes in writing  
5 a longer time. Every such segregation shall be accomplished  
6 under customs supervision, and the compensation and ex-  
7 penses of the supervising customs officers shall be reimbursed  
8 to the Government by the consignee under such regulations  
9 as the Secretary of the Treasury may prescribe.

10 “(c) The foregoing provisions of this section shall not  
11 apply with respect to any part of a shipment if the consignee  
12 or his agent shall furnish, in such time and manner  
13 as may be prescribed by regulations of the Secretary  
14 of the Treasury, satisfactory proof (1) that such part (A)  
15 is commercially negligible, (B) is not capable of segrega-  
16 tion without excessive cost, and (C) will not be segregated  
17 prior to its use in a manufacturing process or otherwise, and  
18 (2) that the commingling was not intended to avoid the  
19 payment of lawful duties or any part thereof. Any mer-  
20 chandise with respect to which such proof is furnished shall  
21 be considered for all customs purposes as a part of the mer-  
22 chandise, subject to the next lower rate of duty (including  
23 a free rate), with which it is commingled.

24 “(d) The foregoing provisions of this section shall not  
25 apply with respect to any shipment if the consignee or his

1 agent shall furnish, in such time and manner as may be pre-  
2 scribed by regulations of the Secretary of the Treasury, satis-  
3 factory proof (1) that the value of the commingled merchan-  
4 dise is less than the aggregate value would be if the shipment  
5 were segregated; (2) that the shipment is not capable of seg-  
6 regation without excessive cost and will not be segregated  
7 prior to its use in a manufacturing process or otherwise; and  
8 (3) that the commingling was not intended to avoid the  
9 payment of lawful duties or any part thereof. Any merchan-  
10 dise with respect to which such proof is furnished shall be  
11 considered for all customs purposes to be dutiable at the  
12 rate (including a free rate) applicable to the material  
13 present in greater quantity than any other material.”

14           CORRECTION OF ERRORS AND MISTAKES

15       SEC. 21. Subdivisions (1) and (2) of section 520 (c)  
16 of the Tariff Act of 1930, as amended (U. S. C., 1946 edi-  
17 tion, title 19, sec. 1520 (c) ), are further amended to read  
18 as follows:

19           “(1) a clerical error, mistake of fact, or other in-  
20 advertence not amounting to an error in the construction  
21 of a law, adverse to the importer and manifest from  
22 the record or established by documentary evidence, in  
23 any entry, liquidation, appraisement, or other customs  
24 transaction, when the error, mistake, or inadvertence  
25 is brought to the attention of the customs service within



1       one year after the date of entry, appraisement, or trans-  
2       action, or within sixty days after liquidation or exaction  
3       when the liquidation or exaction is made more than ten  
4       months after the date of the entry, appraisement, or  
5       transaction; or

6               “(2) any assessment of duty on household or  
7       personal effects in respect of which an application for  
8       refund has been filed, with such employee as the Secre-  
9       tary of the Treasury shall designate, within one year  
10       after the date of entry.”

11                       CONVERSION OF CURRENCY

12       SEC. 22. (a) Section 25 of the Act of August 27, 1894,  
13       as amended and reenacted (U. S. C., 1946 edition, title 31,  
14       sec. 372 (a) ), is repealed, and section 522 of the Tariff  
15       Act of 1930 (U. S. C., 1946 edition, title 31, sec. 372) is  
16       amended to read as follows:

17       **“SEC. 522. CONVERSION OF CURRENCY.**

18               “(a) The Secretary of the Treasury shall keep current  
19       a published list, expressed in United States dollars, of the  
20       par values which he finds are maintained by foreign coun-  
21       tries for their respective currencies. For the purposes of all  
22       provisions of the customs laws, whenever it is necessary  
23       to convert into an amount expressed in currency of the  
24       United States any amount expressed in a foreign currency



1 for which such a par value was maintained for the date as  
2 of which the value or cost requiring conversion is to be  
3 determined, such conversion, except as specified in subsection  
4 (d), shall be made at such par value.

5 “(b) If no such par value was so maintained for such  
6 date, the conversion shall be made at the buying rate for  
7 the foreign currency in the New York market at noon on  
8 the date as of which the value or cost requiring conversion  
9 is to be determined, or, if banks are generally closed on such  
10 date in New York City, then the buying rate at noon on  
11 the last preceding business day. For the purposes of this  
12 subsection, such buying rate shall be the buying rate for cable  
13 transfers payable in the foreign currency in which the amount  
14 to be converted is expressed, and shall be determined by the  
15 Federal Reserve Bank of New York and certified to the  
16 Secretary of the Treasury, who shall make it public at such  
17 times and to such extent as he shall deem necessary. In  
18 ascertaining such buying rate, such Federal Reserve bank  
19 may in its discretion (1) take into consideration the last  
20 ascertainable transactions and quotations, whether direct or  
21 through exchange of other currencies, and (2) if there is  
22 no market buying rate for such cable transfers, calculate such  
23 rate from actual transactions and quotations in demand or  
24 time bills of exchange or from the last ascertainable trans-

1 actions and quotations outside the United States in or for  
2 exchange payable in United States currency or other  
3 currency.

4 “(c) If, pursuant to subsection (b), the Federal Re-  
5 serve Bank of New York certifies more than one rate of  
6 exchange for a particular foreign currency for any date the  
7 conversion for customs purposes of amounts expressed in that  
8 currency for that date shall be made by applying the appli-  
9 cable rate or rates so certified which reflect effectively the  
10 value of that foreign currency in commercial transactions.

11 “(d) When there are one or more rates of exchange  
12 which vary by more than 5 per centum from the par value  
13 for any foreign currency listed pursuant to subsection (a),  
14 the list shall so indicate. In that event such additional rates  
15 of exchange may be certified in the manner set forth in  
16 subsection (b) and the par value and any certified rates  
17 shall be applied in the manner prescribed in subsection (c).”

18 (b) Section 481 (a) of the Tariff Act of 1930 (U. S. C.,  
19 1946 edition, title 19, sec. 1481 (a)) is amended by  
20 deleting subparagraph (7) and by renumbering subpara-  
21 graphs (8), (9), and (10) as (7), (8), and (9).

22 (c) Section 481 (b) of the Tariff Act of 1930 (U. S. C.,  
23 1946 edition, title 19, sec. 1481 (b)) is amended by delet-  
24 ing “; stating whether gold, silver, or paper”.

## 1 TRANSFERS OF GOODS IN BONDED WAREHOUSE

2 SEC. 23. (a) Section 557 (b) of the Tariff Act of 1930,  
3 as amended (U. S. C., 1946 edition, title 19, sec. 1557 (b) ),  
4 is further amended to read as follows :

5 “(b) The right to withdraw any merchandise entered  
6 in accordance with subsection (a) of this section for the  
7 purposes specified in such subsection may be transferred  
8 upon compliance with regulations prescribed by the Secre-  
9 tary of the Treasury and upon the filing by the transferee  
10 of a bond in such amount and containing such conditions as  
11 the Secretary of the Treasury shall prescribe. The bond  
12 shall include an obligation to pay, with respect to the mer-  
13 chandise the subject of the transfer, all unpaid regular,  
14 increased, and additional duties, all unpaid taxes imposed  
15 upon or by reason of importation, and all unpaid charges  
16 and exactions. Such transfers shall be irrevocable, shall  
17 relieve the transferor from all customs liability with respect  
18 to obligations assumed by the transferee under the bond  
19 herein provided for, and shall confer upon the transferee  
20 all rights to the privileges provided for in this section and  
21 in sections 562 and 563 of this Act which were vested in the  
22 transferor prior to the transfer. The transferee shall also  
23 have the right to receive all lawful refunds of moneys paid  
24 by him to the United States with respect to the merchandise



1 the subject of the transfer, but shall have no right to file  
2 any protest under section 514 of this Act except as to deci-  
3 sions with respect to his rights under subsection (c) of this  
4 section or under section 562 or 563 of this Act or against  
5 a decision as to the rate or amount of duty, tax, charge,  
6 or exaction when such rate or amount has been changed by  
7 statute or proclamation on or after the date of the transfer.  
8 The transferee shall have no right to file an appeal for re-  
9 appraisal under section 501 of this Act, except when  
10 subsequent to the transfer and before a withdrawal for con-  
11 sumption has been deposited for the merchandise, it has been  
12 changed in condition pursuant to the provisions of section  
13 562 or 311 of this Act in a manner which necessitates that  
14 it be appraised in its changed condition in order that the  
15 correct amount of duties may be assessed. No new or sepa-  
16 rate liquidation, reliquidation, or determination shall be made  
17 in the name of, or on behalf of, a transferee, except with  
18 regard to any matter which may arise under subsection (c)  
19 of this section or section 562 or 563 of this Act when the  
20 transferee has invoked either of these sections, and in the  
21 case of a statutory or proclaimed change in the rate of duty,  
22 tax, charge, or exaction applicable to the merchandise the  
23 subject of the transfer and effective on or after the date of



1 the transfer. A transferee may further transfer the right  
2 to withdraw merchandise, subject to the provisions of this  
3 subsection relating to original transfers.”

4 (b) Notwithstanding any other provision of this Act,  
5 the foregoing subsection (a) shall be effective with respect  
6 to merchandise entered after the date of the enactment of  
7 this Act and to merchandise which has been entered before  
8 that date and is the subject of a transfer within the purview  
9 of section 557 (b) of the Tariff Act, as amended by this  
10 Act, and made after the date of the enactment of this Act.

#### 11 CUSTOMS SUPERVISION

12 SEC. 24. The Tariff Act of 1930, as amended, is further  
13 amended by adding following section 645 (U. S. C., 1946  
14 edition, title 19, sec. 1645) a new section 646, reading as  
15 follows:

16 “SEC. 646. CUSTOMS SUPERVISION.

17 “Wherever in this Act any action or thing is required  
18 to be done or maintained under the supervision of customs  
19 officers, such supervision may be direct and continuous or by  
20 occasional verification as may be required by regulations of  
21 the Secretary of the Treasury, or, in the absence of such  
22 regulations for a particular case, as the principal customs  
23 officer concerned shall direct.”

## SAVING CLAUSE

2        SEC. 25. Except as may be otherwise provided for in  
3        this Act, the repeal of existing law or modifications thereof  
4        embraced in this Act shall not affect any act done, or any  
5        right accruing or accrued, or any suit or proceeding had or  
6        commenced in any civil or criminal case prior to such  
7        repeal or modification, but all liabilities under such laws  
8        shall continue, except as otherwise specifically provided in  
9        this Act, and may be enforced in the same manner as if  
10       such repeal or modification had not been made.



83d CONGRESS  
1st Session

H. R. 5877

## A BILL

To amend certain administrative provisions of the Tariff Act of 1930 and related laws, and for other purposes.

By Mr. JENKINS

JUNE 22, 1953

Referred to the Committee on Ways and Means







# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued July 9, 1953  
For actions of July 8, 1953  
83rd-1st, No. 125

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HIGHLIGHTS: Senate debated drought-relief bill. Senate committee reported International Wheat Agreement and measure to carry it out. House Rules Committee cleared drought-relief bill. House committee reported bill designating 50th anniversary of farm demonstration work. House passed bill for education aid in Federal areas.

## SENATE

- DROUGHT RELIEF.** Began debate on S. 2267, the drought-relief bill, which had been reported with amendments by the Agriculture and Forestry Committee earlier in the day (S. Rept. 501)(pp. 8409, 8429-31, 8446-64). Agreed to all committee amendments except that one of the amendments, relating to selection of the review committees, was modified (pp. 8454-5). Sen. Kerr presented an amendment to require price supports on beef cattle at 90% of parity (pp. 8455-63). Sen. Griswold offered an amendment to this amendment, to direct purchase of brood cows at 10 cents a pound or more (pp. 8463-4).
- WHEAT.** The Foreign Relations Committee reported without amendment S. J. Res. 97, to carry out the new International Wheat Agreement (p. 8410).  
The Committee also reported the Agreement without reservation (p. 8410).  
The "Daily Digest" states that the Agriculture and Forestry Committee deferred action on H. R. 5451, regarding wheat marketing quotas, until July 10, when it will "consider the July 1 crop report prior to recommending a minimum national acreage allotment of wheat for 1954 (p. D670).  
Sen. Anderson inserted a Washington Post editorial analyzing the wheat-surplus problem (pp. 8465-6).  
The Rules and Administration Committee reported without amendment S. Res. 127, authorizing the Agriculture and Forestry Committee to investigate imports of unfit wheat from Canada (S. Rept. 506)(p. 8412).
- APPROPRIATIONS.** The Appropriations Committee reported with amendments H. R. 5690, the second independent offices appropriation bill, which includes funds for Veterans' Administration, Tennessee Valley Authority, and the Selective Service



System (S. Rept. 502)(p. 8412).

4. **TIMBER STATISTICS.** Received from the Commerce Department a proposed bill to repeal the act authorizing the Census Bureau to collect and publish statistics of redcedar shingles; to Post Office and Civil Service Committee (p. 8411).
5. **FLOOD DAMAGE.** Sen. Humphrey inserted an Army letter describing flood damage in Minn. recently (pp. 8422-3).
6. **RURAL-TELEPHONE LOANS.** Sen. Humphrey commended the rural-telephone loans program and inserted USDA questions and answers regarding it (pp. 8423-5).
7. **PERSONNEL.** Sen. Williams stated that dual benefits are accumulated under the Social Security Act and the Civil Service Retirement Act, objected to such procedure, and inserted a Civil Service Commission letter concurring with his objective (pp. 8426-9).
8. **EXPENDITURES.** Sen. Flanders discussed the budget deficit, defended the rise in U. S. bond interest rates and continuation of the excess profits tax, and urged reduction of defense expenditures to balance the budget (pp. 8440-2).
9. **COMMITTEE ASSIGNMENT.** Sen. Hoey, instead of Sen. Johnson of Tex., was excused from the Government Operations Committee (see Digest 124).

#### HOUSE

10. **DROUGHT RELIEF.** The Rules Committee reported a resolution for consideration of H. R. 6054, to authorize emergency loans and supplies for drought relief (p. 8507).
11. **EXTENSION WORK.** The Judiciary Committee reported without amendment H. J. Res. 161, requesting the President to designate 1953 as the 50th anniversary year of farm demonstration work (H. Rept. 740)(p. 8507).
12. **ELECTRIFICATION.** The Rules Committee reported a resolution for consideration of H. R. 4351, relating to Niagara power development (p. 8507).
13. **EDUCATION.** Passed without amendment H. R. 6049, to provide a temporary program of assistance in school construction in federally affected areas (pp. 8486-504).
14. **FOREIGN TRADE.** The Ways and Means Committee ordered reported (but did not actually report) H. R. 5894, to amend the Trade Agreements Act to provide protection for American farmers, etc., and H. R. 5877, to simplify customs procedures (p. D675).
15. **TAXATION.** The Ways and Means Committee reported without amendment H. R. 5898, to extend the excess-profits tax until Dec. 31, 1953 (H. Rept. 743)(p. 8508).
16. **PERSONNEL.** S. 2324, by Sen. Williams, to prohibit dual coverage under the Social Security Act and the Civil Service Retirement Act; to Finance Committee (p. 8414).
17. **FORESTRY.** S. 2325, by Sen. Anderson, to provide for conveyance of certain lands in the Santa Fe National Forest, N. Mex.; to Agriculture and Forestry Committee (p. 8414).
18. **LEGISLATIVE REPORTS.** H. R. 6160, by Rep. Whitten, to provide a staff to make reports on proposed legislation and to analyze legislative reports from executive



directing the Federal Power Commission to issue licenses for improvement and development of the river under specified conditions. Members of the House who testified today in favor of the legislation were Representatives Dondero, Dempsey, Miller of New York, Fallon, McGregor, Scudder, and Oakman; and Members appearing against it were Representatives Mack of Washington, Jones of Alabama, Steed, and Roosevelt.

Also granted an open rule providing for 1 hour of debate on H. R. 6054, providing for additional emergency assistance to farmers and cattlemen. Representative Hope, of Kansas, urged favorable consideration of the bill.

#### VETERANS' HOSPITALIZATION

*Committee on Veterans' Affairs:* The Kearney subcommittee discussed veterans' hospitalization entitlements today with Adin M. Downer, VFW; and Cicero Hogan, DAV. Recessed until tomorrow morning.

#### EXCESS PROFITS—TRADE AGREEMENTS— CUSTOMS SIMPLIFICATION

*Committee on Ways and Means:* Voted (16 to 9) to report to the House H. R. 5898, extending until December 31, 1953, the period with respect to which the excess-profits tax shall be effective.

Also ordered reported H. R. 5894, to amend the Trade Agreements Extension Act of 1951 and certain other provisions of law to provide adequate protection for American workers, miners, farmers, and producers; and

H. R. 5877, to amend certain administrative provisions of the Tariff Act of 1930 and related laws. The committee voted to request a closed rule on this measure, only allowing for three committee amendments which will be offered from the floor during consideration of the bill.

#### BILLS SIGNED BY THE PRESIDENT

##### New Laws

(For last listing of public laws, see Digest, p. D646)

S. 1993, to amend the National Housing Act and the Servicemen's Readjustment Act of 1944 with respect to maximum interest rates. Signed July 1, 1953 (P. L. 101).

H. R. 4654, to exempt certain Government officials from provisions of the Annual and Sick Leave Act of 1951. Signed July 2, 1953 (P. L. 102).

H. R. 3425, authorizing D. C. Commissioners to appoint a member of the Metropolitan Police Department or the Fire Department as Director of the D. C. Office of Civil Defense. Signed July 6, 1953 (P. L. 103).

S. 1550, authorizing the President to prescribe the occasions upon which the uniform of any of the Armed Forces may be worn by persons honorably discharged therefrom. Signed July 6, 1953 (P. L. 104).

#### REVENUE REVISION

*Committee on Ways and Means:* Resumed hearings on the subject of general revenue revisions, and heard the following witnesses on topic 9, re the averaging of income (such as modifications of sec. 107 to provide a different type of averaging and coverage of types of income not now provided for by that section)—Representative Albert, of Oklahoma, was heard on behalf of John I. Taylor, president, Oklahoma Farm Bureau; M. Francis Bravmen, attorney, New York City; Edward McCarthy, attorney, Jacksonville, Fla.; J. Henry Landman, attorney, New York City; Thomas N. Tarleau, attorney, on behalf of the Associated Actors & Artistes of America; Lawrence H. Kandel, certified public accountant, Philadelphia, Pa.; and Clinton B. D. Brown, attorney, Washington, D. C. Statements for the record were submitted by J. B. Hodges, attorney, Lake City, Fla., and on behalf of the American Bar Association.

On topic 10, regarding earned-income credit, one witness, John R. Cox, Balas Callet Co., of Cleveland, Ohio, testified. Hearings will be continued tomorrow.

#### Joint Committee Meetings

##### RECIPROCAL TRADE AGREEMENTS

*Conferees* on H. R. 5495, to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, met in executive session to work out differences between the Senate- and House-passed versions of the bill, but reached no final agreements and recessed subject to call.

##### MUTUAL SECURITY

*Conferees* on H. R. 5710, to extend the mutual security program for fiscal year 1954, met in executive session to resolve the differences between the Senate- and House-passed versions of the bill, came to agreement on several of these differences, but did not complete their work and will meet again tomorrow.

#### COMMITTEE MEETINGS FOR THURSDAY, JULY 9

(All meetings are open unless otherwise designated)

##### Senate

*Committee on Appropriations*, on mutual security appropriations, with Secretary of State Dulles and MSA Director Stassen, 10 a. m., room P-63, Capitol; subcommittee, executive, on H. R. 5969, Defense appropriations, 1:30 p. m., room F-39, Capitol.

*Committee on the District of Columbia*, executive, on S. 999, D. C. home rule, 2:30 p. m., room P-38, Capitol.

*Committee on Foreign Relations*, subcommittee, on Executive A, 82d Congress, 1st session (North American Regional Broadcasting Agreement), 10 a. m., 457 Senate Office Building.

*Committee on Interior and Insular Affairs*, on Hawaii statehood, 10 a. m., 224 Senate Office Building; Subcommittee on Minerals and Fuels, executive, on S. 1620 and H. R. 2824, production of tungsten ores, 9:30 a. m., 224 Senate Office Building; Minerals and Fuels Subcommittee, on S. 1397, development of fissionable source minerals, 10:30 a. m., room P-38, Capitol.

*Committee on Interstate and Foreign Commerce*, on nomination of Eldon Claggett Upton, Jr., to be member of Federal Maritime Board, followed by executive session, 10 a. m.; subcommittee, on H. R. 3203, trip leasing, 10:30 a. m., both in room G-16, Capitol.

*Committee on the Judiciary*, executive, on S. 1917, quota immigration visas, 10 a. m., 424 Senate Office Building; subcommittee, on H. R. 724, private bill, 2 p. m., 341 Senate Office Building.

*Committee on Labor and Public Welfare*, executive, on nominations of Whitley P. McCoy to be Federal Mediation and Conciliation Director, Guy Farmer to be member of NLRB, and Stuart Rothman to be Solicitor for Department of Labor, 10:30 a. m.; Subcommittee on Health, executive, on miscellaneous bills, 2 p. m., both in room F-37, Capitol.

#### House

*Committee on Agriculture*, on H. R. 5358, to protect the surface values of lands within the national forests, 9:30 a. m., 1310 New House Office Building.

*Committee on Armed Services*, Arends Subcommittee on Personnel on H. R. 5509, relating to the percent of colonels in the Medical Service Corps, and H. R. 5416, authorizing the advancement of certain lieutenants on the retired list of the Navy, 10 a. m., 304 Old House Office Building.

Johnson Subcommittee No. 3 on H. R. 1222, Reserve Officers Personnel Act, 10 a. m., 313-A Old House Office Building.

*Committee on the District of Columbia*, O'Hara subcommittee on H. R. 5619, teachers' pay bill, 10 a. m., 445 Old House Office Building.

*Committee on Government Operations*, Harden Subcommittee on Intergovernmental Relations on commercial and indus-

trial type of activities in the Federal Government, 10 a. m., 1501 New House Office Building.

*Committee on Interior and Insular Affairs*, Harrison subcommittee on H. R. 5730, Santa Margarita River, Calif., project, 10 a. m., 1324 New House Office Building.

*Committee on Interstate and Foreign Commerce*, Subcommittee No. 1 on H. R. 1926 and H. R. 3607, providing for the design, development, and construction of prototype aircraft suitable to the needs of local-service airlines, 10 a. m., 1301 New House Office Building.

Full committee to study recent increases in the price of crude oil and products, 10 a. m., 1334 New House Office Building.

*Committee on the Judiciary*, Subcommittee No. 1 on pending bills, executive, 9:45 a. m., 327 Old House Office Building.

Subcommittee No. 5 on judgeship bills, executive, 10 a. m., 346 Old House Office Building.

*Committee on Public Works*, McGregor subcommittee on national highway program, 10 a. m., 1302 New House Office Building.

*Committee on Rules*, to consider rules on H. R. 5898, excess-profits tax extension, and H. R. 5877, customs-simplification bill, 10:30 a. m., G-12 U. S. Capitol.

*Committee on Veterans' Affairs*, Kearney subcommittee on hospitalization of non-service-connected veterans, 10 a. m., 356 Old House Office Building.

*Committee on Ways and Means*, general tax revision legislation, 10 a. m., 1102 New House Office Building.

#### Joint Committee

*Joint Committee on Atomic Energy*, on atomic power development, 2 p. m., 318 Senate Office Building.

*Conferees*, executive, on H. R. 5710, mutual security, 10 a. m., room F-53, Capitol.







# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued July 10, 1953  
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83rd-1st, No. 126

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Flood control.....27	Prices, meat.....18	Wool.....14

HIGHLIGHT: Both Houses passed drought-relief bill, and it was sent to conference.

## SENATE

1. DROUGHT RELIEF. Passed with amendments H. R. 6054, the drought-relief bill, in lieu of S. 2267 but with the language of the Senate bill (pp. 8574, 8590-604).  
Rejected the following amendments:  
By Sen. Griswold, to require purchase of brood cows at 10 cents or more a pound (p. 8603).  
By Sen. Kerr, to require price supports on cattle at 90 percent of parity (p. 8603).  
Sens. Aiken, Thye, Hickenlooper, Holland, and Anderson were appointed conferees (pp. 8603-4).
2. WHEAT QUOTAS; DROUGHT RELIEF. Sen. Kerr submitted an amendment which he intends to propose to S. 2099, the wheat marketing quota bill, to exempt disaster areas from such quotas in 1954 (pp. 8573-4).
3. CHEESE IMPORTS. Sen. Humphrey inserted a letter from W. E. Swain analyzing problems in connection with restrictions on cheese imports (pp. 8604-5).
4. TRADE AGREEMENTS. Both Houses received the President's report on inclusion of escape clauses in trade agreements (pp. 8571, 8518-9)(H. Doc. 205).
5. LEGISLATIVE PROGRAM as announced by Sen. Knowland: Fri., 2nd independent offices appropriation bill; Sat., wheat-quotas bill; next week, wheat agreement bill (pp. 8605-6).

## HOUSE

6. DROUGHT RELIEF. Passed, 388-4, with amendments H. R. 6054, the drought-relief bill (pp. 8510-34).  
Agreed to an amendment by Rep. Jones, Mo., specifying the use of CCC, PIA, and

FHA in carrying out the bill (pp. 8529-30).

Rejected the following amendments:

By Rep. Gross, to reduce the minimum interest rate from 5% to 3%, by a 14-54 vote (pp. 8527-9).

By Rep. Whitten, to provide for Farmers' Home Administration to administer the bill as part of the present program (pp. 8531-2).

By Rep. Rogers, Tex., to eliminate the requirement for a good record of past operations as a prerequisite for livestock loans (pp. 8530-1).

By Rep. Marshall, to delete the minimum limit of \$2,500 for livestock loans, by a 27-46 vote (p. 8533).

Reps. Hope, Andresen, Hill, Cooley, and Poage were appointed conferees (p. 8563).

7. ELECTRIFICATION. Passed, 262-120, with amendment H. R. 4351, authorizing construction of additional power facilities on the Niagara River (pp. 8534-63).

Agreed to an amendment by Rep. McGregor that deleted the "recapture clause", which would have permitted a Federal agency, after Mar. 2, 1971, to purchase the power facilities (p. 8560).

Rejected the following amendments:

By Rep. Becker, by a division vote of 17-136, to substitute the provisions of H. R. 5335 for this bill (pp. 8556-60).

By Rep. Steed, by a division vote of 41-109, to delete Sec. 6 making provisions of this bill paramount in the event of conflict with the Federal Power Act (p. 8560).

By Rep. Roosevelt which would have given a municipality, rural cooperative, New York State, or any Federal agency needing power for national defense to obtain it before any private company (p. 8561).

8. FOREIGN TRADE. The Ways and Means Committee reported without amendment H. R. 5877, the customs simplification bill, and the Rules Committee reported a resolution providing for its consideration (H. Rept. 760) (pp. 8569, D681).

9. HOLIDAY. The Judiciary Committee reported with amendments H. J. Res. 118, to designate May 1 in each year as Loyalty Day (H. Rept. 759) (p. 8569).

10. TAXATION. The Rules Committee reported a resolution providing for the consideration of H. R. 5898, to extend the excess-profits tax until Dec. 31, 1953 (p. 8534).

#### BILLS INTRODUCED

11. PERSONNEL. H. R. 6185, by Rep. St. George, to amend the Veterans' Preference Act of 1944 with respect to preference accorded in Federal employment to disabled veterans; to Post Office and Civil Service Committee (p. 8569).

12. GRAZING LANDS. H. R. 6186, by Rep. Dewart, to authorize the Secretary of the Interior to grant a preference right to users of withdrawn public lands for grazing purposes when the lands are restored from the withdrawal; to Interior and Insular Affairs Committee (p. 8569).

13. BANKING AND CURRENCY. S. 2332, by Sen. Bridges, to resume the redemption of currency in gold in order to restrain further deterioration of the dollar and to curb further inflation; to Banking and Currency Committee (p. 8573). Remark of author (pp. 8580-2.).

14. WOOL. S. 2333, by Sen. Mundt, to amend title III of the act of March 3, 1933, so as to insure that preference will be given, in the acquisition of wool and wool products by the Federal Government, to wool produced and wool products manufactured within the United States; to Interstate and Foreign Commerce Committee (p. 8573).



## CUSTOMS SIMPLIFICATION ACT OF 1953

---

JULY 9, 1953.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

---

Mr. JENKINS, from the Committee on Ways and Means, submitted the following

### REPORT

[To accompany H. R. 5877]

The Committee on Ways and Means, to whom was referred the bill (H. R. 5877) to amend certain administrative provisions of the Tariff Act of 1930 and related laws, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

#### PURPOSE

H. R. 5877 is designed to modernize the administrative and procedural provisions of the customs laws by application of sound, efficient, and businesslike procedures to customs administration. It will simplify customs operations, reduce both to the Government and to the interested public the expense and delay incident to customs administration, and eliminate certain inequities which are an annoyance and add to the difficulty of customs enforcement.

The bill will effect improvements in four major respects by (1) facilitating economical administration of the customs laws by the customs service, thereby permitting more effective and efficient employment of its available personnel; (2) modifying, simplifying, or eliminating complex procedural requirements of the customs laws which delay and discourage importation and make it more uncertain and costly, yet do not afford tariff protection to American industry; (3) eliminating inequities which add to the difficulty of enforcing the customs laws by requiring customs officers to spend an excessive amount of time in dealing with complaints and by impairing public compliance; and (4) eliminating provisions of the customs laws which are obsolete and unnecessary, and making the arrangement of other provisions more simple and logical.

The bill does not propose any changes in classifications or rates of duty.

#### GENERAL STATEMENT

The administrative and procedural provisions of the customs laws have been generally revised only once since the enactment of the Tariff Act of 1930. That revision was made by the Customs Administrative Act of 1938 (act of June 25, 1938, 52 Stat. 1077). Since that time many changes have occurred in industry and commerce which necessitate a further revision of these provisions. Congress has already recognized the need for such revision by appropriating funds in the appropriation for the Bureau of Customs for the fiscal year 1948 for a survey of the customs service. With these funds, a private firm of management consultants, McKinsey & Co., was employed by the Treasury Department to make studies in management improvement. This firm was given two main objectives, (1) to determine how the cost of customs operations could be reduced compatible with the required service, and (2) to ascertain whether the service rendered by customs could be improved.

As a result of this survey and the recommendations and comments of interested persons in industry and in the executive branch of the Government, a bill to simplify customs was proposed to the 82d Congress. This committee held extensive hearings on that bill and considered it at length in executive sessions and thereafter reported favorably H. R. 5505, 82d Congress. H. R. 5505 passed the House of Representatives but was not acted upon by the Senate before the end of the 82d Congress.

H. R. 5106 was introduced in this session of Congress based on suggestions by the Treasury, and is similar in many respects to H. R. 5505. It does not, however, contain any of the features deleted by the committee in its deliberations on this subject during the 82d Congress. Moreover, this bill was prepared in the light of the testimony before this committee and that presented to the Senate Committee on Finance, as well as a further expression of views by interested individuals and organizations. The suggestions made by the Treasury are supported by the Bureau of the Budget and other interested agencies.

This committee held public hearings and deliberated in executive session on H. R. 5106. All witnesses supported customs simplification but a number of disagreements were registered as to particular provisions. H. R. 5877 was introduced as a clean bill and embodies the committee's decisions and amendments made to H. R. 5106. In the view of the committee, the present bill has resolved controversial points to the maximum extent consistent with an effective revision of customs procedures. The President of the United States in his state of the Union message said that one of the aims of his administration was to simplify customs regulations.

Your committee believes that enactment of this bill will result in giving improved service to the importing public at a lesser cost to the public and taxpayers, and will expedite and increase the flow of goods in international trade by enabling the customs service to perform its manifold tasks in a more economical and efficient manner, and by removing many complexities of customs procedures which impede the importation of merchandise without contributing to the tariff protection of American industry.



## DISCUSSION

*A. Value*

There was substantial agreement among the witnesses testifying before the committee that section 15, relating to the determination of values for duty purposes, is the most important single provision in the bill. Section 15 will accomplish a number of purposes. Most important, perhaps, the elimination of the "foreign value" basis will facilitate the administration of the customs service and expedite the processing of entries by reducing substantially the number of foreign investigations required. At the present time, Treasury and consular officers are required to make frequent investigations as to the prices paid for merchandise sold for home consumption in foreign countries. The need for foreign investigations under the last valuation basis, "constructed value," will also be reduced as a result of the definition of a number of terms in section 15, all designed to make "export value" applicable to most normal commercial transactions. The present court interpretation of some of these terms leads to unexpected results to one not experienced in the customs law, and these definitions should also contribute to certainty in the law.

In general, the purpose of section 15 is to bring valuation for customs purposes more closely in line with normal commercial practices and to insure that the alternative bases of valuation will be more nearly equal in money amounts. Thus, importers will be afforded greater certainty as to what value will be placed upon their imports and appraisements will be completed more promptly.

A number of witnesses expressed concern that section 15 of H. R. 5106 vested a new discretionary authority in appraising officers and thus might curtail the jurisdiction of the Customs Court to review appraisements. To make it clear that the new definitions of value do not add to the present discretion of appraisers, your committee has substituted the word "determined" where either "ascertained" or "ascertained or estimated" were used before. Your committee, in section 19 (c) of the bill, has also amended section 501 of the Tariff Act to confirm that the review of the Customs Court includes all determinations entering into the appraiser's valuation. These amendments will remove any doubt concerning the committee's intention to continue in effect the present scope of judicial review in valuation cases.

*B. Administrative exemptions*

Section 13, Administrative Exemptions, is intended to relieve the customs service of the collection of duties which are not commensurate with the time and labor required. Section 13 will permit customs to disregard a difference of \$3 or less between estimated or tentatively assessed duties and the final determination of duties, to permit accompanied importations up to \$10 in value for personal use by persons who are not entitled to the ordinary travelers' exemptions, and to allow free entry for bona fide gifts up to \$10 in value from persons in foreign countries to persons in the United States.

Another provision contained in H. R. 5106 would have permitted mail importations free of duty up to a \$3 value instead of the present \$1. This provision proved highly controversial. Retailers and manufacturers of small consumer items considered it to be a threat to their livelihood. In the absence of further assurances than have been

given that these undesirable results could be avoided by regulation, the committee shares this concern and therefore has retained the exemption at \$1.

### *C. Amendment of entries*

Another section to which the committee attaches special importance is section 19, relating to amendment of entries and undervaluation duties. At the present time, the importer is liable for duty based on his entered value or the final appraised value, whichever is higher. Moreover, the importer is further threatened by the imposition of an undervaluation duty of 1 percent of the final appraised value for each 1 percent that that value exceeds the entered value. The means of remitting this duty is an appeal to the Customs Court for a finding that the entry was made without intention to defraud the United States or conceal facts or deceive the appraiser.

Although importers who are found to be acting in good faith are generally given information as to the appraiser's views to assist them to amend their entered values prior to final appraisal, many cases occur in which the additional duties are incurred without any real fault on the part of the importer. In addition, this procedure burdens the customs service and importers with a great amount of paperwork and administrative detail in connection with amendment of entries. The McKinsey & Co. survey recommended that amendment of entries be eliminated to reduce costs and increase efficiency.

Section 19 corrects this situation by providing that the appraised value shall govern the determination of duties whether that value is higher or lower than the entered value. It repeals entirely the undervaluation duty. Because of these changes, importers no longer need to amend entries and, therefore, the right to amend entries is repealed.

The committee inquired whether repeal of the undervaluation duty would remove a measure needed to protect the revenue. The Treasury Department advises us that undervaluation duties are not necessary for this purpose and that other sanctions exist to deal with dishonest or culpable importers. False statements in customs documents as to value, whether or not fraudulent, subject the merchandise involved to forfeiture under section 592 of the Tariff Act. Actual fraud cases can be dealt with not only under section 592 but also under section 542 of the Criminal Code which provides for a fine up to \$5,000, imprisonment up to 2 years, or both. The committee expects that the Treasury and Justice Departments will meet any such situations by vigorous enforcement of section 592 of the Tariff Act and section 542 of the Criminal Code.

### *D. New material*

The important substantive provisions of H. R. 5877 which reflect changes or additions to H. R. 5505 passed by the House in the 82d Congress are the following:

Section 2 repeals obsolete accounting provisions and will permit a modern accounting and audit system to be adopted by the Bureau of Customs. It will also lead to a more efficient utilization of available manpower by permitting the elimination of unneeded duplication in audits.

A number of other new provisions are also designed to permit a more efficient utilization of customs manpower. Section 3 states rules for determining effective dates of rates of duty. This section will



eliminate administrative difficulties and uncertainties arising under court decisions and will also make the rights of importers more certain. Section 5 provides for making the assaying requirements for lead-bearing and zinc-bearing ores consistent with modern practices and the procedures applicable to other ores. Section 23 redefines the rights of transferees of goods in bonded warehouse so as to eliminate much unnecessary recordkeeping and relitigation of issues.

Other new provisions are intended to ease unnecessarily restrictive provisions of the present law so as to alleviate the burden of administration for both the Government and the importer. Section 10 (a) will extend from 6 months to 1 year the period for temporary free importation under bond. This section also proposes the same maximum renewal period of 3 years contained in H. R. 5505. Section 12 extends the substitution period for drawback purposes from 1 to 3 years and the period for exportation for drawback from 3 to 5 years. Section 12 also follows H. R. 5505 by extending from 30 to 90 days the period for return to customs custody of unordered or unsatisfactory merchandise and, in addition, authorizes a further possible extension in the discretion of the Secretary of the Treasury. Section 17 (b) provides for the entry of merchandise within a period of 5 days after its arrival rather than the present period of 48 hours. Section 20 would permit a longer period of time for the segregation of commingled merchandise than that originally proposed in H. R. 5505. In addition, your committee has added a new provision to section 20 to meet the special problems of commingled waste materials.

Another group of revisions makes substantive changes in the law to permit the customs service to relieve the public of burdens not necessary to protect American industry and labor. Section 4 (c) will authorize the Secretary of the Treasury to permit the entry of improperly marked merchandise in hardship cases in which the Secretary is satisfied that marking in this country would be economically prohibitive and that the failure to mark was not due to any purpose to avoid compliance. The committee intends that the marking provisions remaining in the law shall be strictly enforced. Section 10 extends temporary free importation under bond to filled containers, and blueprints, plans, and other technical material. Section 17 (c) would authorize the Secretary of the Treasury to require a consular invoice only in those cases in which he finds it to be necessary.

Finally, section 22, the currency conversion section, has been revised to meet objections to the corresponding section in H. R. 5505. Section 22 continues existing practices in effect except that it substitutes a proclamation of the Secretary of the Treasury of par values maintained by foreign governments for the present obsolete proclamation of gold coin parities. This will simplify currency calculations in a large number of cases.

#### *E. General agreement on tariffs and trade*

This committee inserted in H. R. 5505 a section stating that enactment of that bill should not be construed to determine or indicate the approval or disapproval by the Congress of the executive agreement known as the General Agreement on Tariffs and Trade.

It is the considered opinion of this committee that, because of the omission or revision of certain provisions contained in the former bill, H. R. 5877 cannot be construed as indicating such approval or disapproval, and for this reason no such provision is included therein.

#### DETAILED DISCUSSION OF THE TECHNICAL PROVISIONS OF THE BILL

##### *Section 1. Short title and effective date*

This section contains a short title, the Customs Simplification Act of 1953, and provides that it will be effective 30 days after enactment, except as otherwise specially provided for.

##### *Section 2. Repeal of obsolete accounting provisions*

Section 2 repeals certain restrictive statutory provisions relating to accounting functions which are assigned to the comptrollers of customs. These provisions require detailed review and checking, resulting in the duplication of certain accounting processes which are performed in the offices of collectors of customs. The statutes are so restrictive that they preclude some of the procedures which should be part of a modern program of internal audit.

The repeal of these statutes will not result in any relaxation of safeguards to the revenue. Under the Budget and Accounting Act, the Secretary of the Treasury, like the head of every other executive agency, is required to maintain an effective system of internal control, including appropriate internal audit procedures. The Budget and Accounting Act also provides the Comptroller General with authority to conduct his external audits at the site of operations. This "site audit" which evaluates the effectiveness of the accounting system and the internal control of the agency, has already been instituted for the Bureau of Customs.

One of the statutes which this section repeals requires the comptroller of customs to verify all assessments of duties and drawback claims which have been acted upon by the collector of customs. This 100-percent verification is required regardless of the monetary size of either the entry or the drawback claim, including transactions where no money is involved. With the repeal of this statutory requirement, the Treasury Department will be able to install a selective examination system which has been developed by representatives of the General Accounting Office, the Bureau of Accounts of the Treasury Department, and the Bureau of Customs.

##### *Section 3. Effective dates of rates of duty*

Section 315 of the Tariff Act (U. S. C., 1946 edition, title 19, sec. 1315) provides that on and after June 18, 1930, all goods, wares, and merchandise which are entered shall be subject to the rates of duties imposed by the Tariff Act of 1930. Because of a series of decisions in the customs courts culminating in the case of *United States v. Mussman & Shafer, Inc.*, decided by the United States Court of Customs and Patent Appeals on January 14, 1953 (C. A. D. 506), the question of the effective date of rates of duty and when merchandise has been entered, or withdrawn from warehouse, for consumption has become confused.

Subsection (a) of section 315 of the Tariff Act, as amended by subsection (a) of section 3 of the bill, will make clear that merchandise is entered for consumption or withdrawn from warehouse for con-



sumption, as the case may be, within the meaning of the various customs laws, proclamations, and regulations thereunder, when the documents comprising the entry for consumption or withdrawal from warehouse for consumption and any estimated or liquidated duties then required to be paid have been deposited with the appropriate customs officer in the form and manner prescribed by regulations of the Secretary of the Treasury. Under the amendment, the applicable rate of duty will be that in effect when the entry or withdrawal has taken place by the performance of the acts referred to in the preceding sentence, except that—

(1) the rate of duty on an article released under an informal mail entry will be the rate in effect when the preparation of the mail entry is completed, and

(2) in the case of merchandise entered for transportation in bond under section 552 of the act from the port of importation to another port for entry for consumption there, the rate of duty will be that in effect when the entry for immediate transportation is accepted by the collector at the port of importation, provided there is no delay in making entry or other factor at the port of destination which requires the collector at that port to make the merchandise into his custody under section 490 of the tariff act.

Subsection (b) of section 315 of the Tariff Act, as amended by subsection (a) of section 3 of the bill, would provide that any article which has been entered for consumption but which, before release from customs custody, is removed from the port or other place of intended release because of inaccessibility, overcarriage, strike, act of God, or unforeseen contingency, shall be subject to duty at the rate or rates in effect when the entry for consumption and any required duties were deposited in accordance with subsection (a) of section 315 of the Tariff Act, but only if the article is returned to such port or place within 90 days after the date of removal and the identity of the article as that covered by the entry is established in accordance with regulations prescribed by the Secretary of the Treasury. If after the 90-day period such an article is returned to the port or other place of intended release, or if the article is returned to another port or other place of intended release, then such return will be a new importation to which subsection (a) of section 315 applies.

Subsection (b) of section 3 of the bill amends section 484 (f) of the Tariff Act. Experience has shown that in the case of merchandise transported in bond under section 552 it is desirable in the interests of economy and the efficient conduct of customs business to permit an entry for consumption or for warehouse to be filed at the port of destination designated in the immediate transportation entry for the entire quantity of merchandise covered by the transportation entry after any part of the shipment has arrived at the port of destination. The Mussman decision has raised a question as to the legality of such a procedure. The proposed amendment of section 484 (f) of the Tariff Act contained in subsection (b) of section 3 of the bill would authorize the continuation of this procedure. It would also specifically authorize merchandise entered for transportation in bond under section 552 to be transported to any place approved by the collector of customs in charge of the port of destination, with

the right to file entry at that port for the entire shipment upon the arrival of any part of the shipment at the place to which such collector has authorized it to be transported under the immediate transportation entry.

#### *Section 4. Marking*

The provisions of law involved are paragraphs 28, 354, 355, 357, 358, 359, 360, 361, and 1553 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1001, pars. 28, 354, 355, 357, 358, 359, 360, 361, and 1553). These paragraphs refer to specific items, such as knives, scissors, surgical instruments, coal-tar products, etc., to be imported and (except for par. 28) specify in detail that the articles enumerated shall have, when imported, the name of the maker or purchaser as well as the name of the country of origin conspicuously and indelibly marked on the outside of the articles. Paragraph 28 requires marking the containers of certain coal-tar products with detailed information as to the contents.

Subsection (a) of section 4 repeals entirely the marking provisions mentioned. The amendment to paragraph 28 would leave unaltered a requirement for information on invoices, a more practical method of conveying information to the industrial users of these products.

Articles formerly covered by special marking requirements will still be subject to the general marking provisions of section 304 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1304), so that they will indicate to the ultimate purchaser the country of their origin.

Subsection (b) of section 4 repeals section 2934 of the Revised Statutes (U. S. C., 1946 edition, title 19, sec. 134) which relates to the marking of medicinal preparations imported into the United States. This provision of law is obsolete. At the present time, the Food and Drug Administration permits relabeling upon importation, under other statutory authority.

Subsection (b) also repeals sections 2885 and 2886 of the Revised Statutes (U. S. C., 1946 edition, title 19, secs. 273 and 274). These sections require the containers of imported liquors or distilled spirits to be marked or scored at the port of landing with the capacity, wine gallons, proof, proof gallons, and other detailed information, such marks to be obliterated upon sale. The marking of such containers serves no useful purpose since under paragraph 813 of the Tariff Act of 1930, as amended, imported alcoholic beverages are subject to customs duties only upon the quantities subject to internal-revenue taxes which are the quantities withdrawn from customs for consumption.

The general marking requirement of section 304 of the Tariff Act that all imported articles shall indicate the country of origin will not be changed except that subsection (c) of section 4 of the bill would amend section 304 (a) (3) of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1304 (a) (3)), to authorize the Secretary of the Treasury to exempt from the general marking provisions of the Tariff Act articles which are not properly marked before importation when the failure to mark was not due to any purpose to avoid compliance with the marking provisions and the articles cannot be marked after importation except at an expense which is economically prohibitive. This subsection will authorize relief for innocent importers in some cases involving undue hardship.



*Section 5. Transportation of lead-bearing and zinc-bearing ores*

Section 5 repeals that part of paragraphs 391 and 393 of the Tariff Act, as amended, which provides for the transportation of imported lead-bearing and zinc-bearing ores from the ports of entry to properly equipped sampling or smelting establishments for sampling there according to commercial methods under the supervision of Government officers and permits the promulgation of regulations by the Secretary to cover analyzing and sampling these ores.

A requirement that ores be transported to a place remote from the port of entry for sampling and analysis results in unwarranted inconvenience and expense to importers. It is believed that the revenue could be protected even more adequately by sampling and analysis under regulations which take into consideration business conditions, simplification of customs procedures, and the interest of the public in economy and efficiency of governmental operations. The amendments to paragraphs 391 and 393 provide for such sampling and assaying and bring paragraphs 391 and 393 into harmony with paragraph 302 of the Tariff Act, relating to manganese, molybdenum, and tungsten ores; paragraph 1658, relating to copper ores; paragraph 1734, relating to ores of gold, silver, or nickel; and other paragraphs which do not contain provisions indicating the methods of sampling and assaying to be used:

*Section 6. Repeal of certain obsolete reciprocal provisions*

Subsection (a) of section 6 repeals the proviso to paragraph 812 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1001, par. 812), which provides for the forfeiture to the United States of any sized casks or other packages of spirituous or distilled liquors imported from any country under whose laws such sized casks and other similar packages of liquors put up or filled in the United States are denied entry into such country. Subsection (b) repeals section 320 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1320), which provides that the Secretary of the Treasury and the Postmaster General, with the advice and consent of the President, may enter into a reciprocal agreement with any foreign country to provide for the entry free of duty of certain advertising matter. Although this provision has been in the law over 20 years, no action has ever been taken under it.

*Section 7. American goods returned*

Section 7 adds new language to paragraph 1615 (f) to provide a means of determining the amount of duty on reimported merchandise in cases when it is impracticable to determine the amount of drawback paid at the time of exportation or whether drawback has been allowed, because of the destruction of customs records or for any other cause.

The section would allow the collector to assess an amount of duty equal to the amount of drawback which he estimates would be allowable if the imported merchandise used in the manufacture or production of the reimported article were dutiable at the rate applicable to such merchandise on the date of importation. It further provides that the Secretary of the Treasury may determine the amounts of duty equal to drawback or internal-revenue tax which shall be applied to articles or classes or kinds of articles, and may exempt from duty



certain articles or classes or kinds of articles where the expense and inconvenience to the Government would be disproportionate to the amount of duty.

*Section 8. Free entry provisions for travelers*

Section 8 amends paragraph 1798 of the Tariff Act which is the free entry provision for returning residents and other travelers. The amendment clarifies and realines for purposes of clarification the provisions of that paragraph and in addition makes certain substantive changes. The changes are as follows:

(1) Automobiles, trailers, aircraft, motorcycles, bicycles, baby carriages, boats, horse-drawn conveyances, horses, and similar instruments of transportation, and the usual equipment accompanying the foregoing, imported in connection with the arrival of a nonresident and to be used in the United States only for the transportation of such person, his family and guests, and such incidental carriage of articles as may be appropriate to his personal use of the conveyance, will be admitted free of duty. If such article is sold within 1 year after the date of importation, without prior payment of the duty, such article, or its value (to be recovered from the importer) will be subject to forfeiture, unless the sale is pursuant to a judicial order or in liquidation of the estate of a decedent. At the present time these items may be admitted free of duty under bond under the provisions of section 308 (5) of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1308 (5)).

(2) The exchange free of duty of an article entered free of duty by a returning resident for a like article of comparable value will be permitted, if the original article is exported within 60 days after its importation.

(3) A nonresident will be permitted to take with him through the United States without the payment of duty articles not in excess of \$200 in value. At the present time, travelers in transit must arrange for the bonded transportation of articles such as gifts which they are carrying to friends and relatives in foreign countries.

(4) The sale within 3 years after the date of arrival of the returning resident, of an article accorded the \$300 exemption will subject the article, or its value (to be recovered from the importer), to forfeiture. The same provision will be applicable to sales of jewelry or similar articles having a value of \$300 or more which have been accorded free entry on behalf of a nonresident.

*Section 9. Free entry for noncommercial exhibitions*

Paragraph 1809 (U. S. C., 1946 edition, title 19, sec. 1201, par. 1809) allows free entry of articles under bond for permanent noncommercial exhibitions, such as in museums. The duration of the bond is now unlimited, necessitating the retention of many old records and keeping open many old entries. The amendment in section 9 will limit duration of the bond to 5 years. After that the customs officers will no longer be required to check on the status of the articles.

*Section 10. Temporary free entry for samples and other articles under bond*

Section 308 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1308), permits the temporary free entry of certain

enumerated articles under bond for reexportation within 6 months, which the Secretary of the Treasury may extend for another 6 months. These periods of time have proved insufficient. Section 10 (a) of the bill amends section 308 to provide for an original bond for 1 year and to authorize further extension to a total of 3 years.

Section 308 (3) of the tariff act permits the temporary free entry of samples for use in taking orders for merchandise, or for examination with a view to reproduction. Since the decision of the Customs Court in *McCall v. United States* (T. D. 47201) the Bureau of Customs has permitted temporary free entry privileges under this section to photo-engraved printing plates. Subsection (b) of section 10 excludes from this section photo engraved printing plates imported to be reproduced.

Section 308 (4) of the Tariff Act provides for the temporary free entry under bond of articles intended for experimental purposes. Subsection (c) of section 10 amends section 308 (4) to include articles intended for testing or review purposes, including blueprints, plans, specifications, and other similar articles.

Section 308 (5) provides for the temporary free importation under bond of automobiles, motorcycles, bicycles, airplanes, airships, balloons, boats, racing shells, and similar vehicles and horses and the usual equipment of the foregoing, when brought temporarily into the United States by nonresidents (1) for the purpose of competing in races or other specific contests; or (2) for the transportation of such nonresidents, their families, and guests. Section 10 (d) would amend section 308 (5) to delete therefrom such enumerated articles as are brought in by nonresidents for transportation purposes, since section 8 of the bill includes these articles within the scope of paragraph 1798.

Subsection (e) amends section 308 (7) to extend the temporary free entry provision to containers and other articles, such as reels, etc., when they are being used to cover or hold merchandise during transportation and which are suitable for reuse for that purpose. The value of the container would not be included in the determination of the value of its contents under section 402. Under existing section 308 (7) containers for compressed gases, whether filled or empty, are entitled to temporary free entry.

Section 10 (f) further amends section 308 to include within its terms (1) animals and poultry brought into the United States for the purpose of breeding, exhibition, or competition for prizes, and the usual equipment therefor; (2) theatrical effects brought in by proprietors or managers of theatrical exhibitions for temporary use; and (3) works of art, drawings, engravings, photographic pictures, philosophical and scientific apparatus brought in by professional artists, etc., arriving from abroad for use by them for exhibition and in illustration, promotion, and encouragement of art, science, or industry in the United States. Under existing law, the items listed in (1) above may be brought in temporarily under bond for reexportation within 6 months (par. 1607), and the items in (2) and (3) may be brought in for 6 months with an extension of 6 months in the discretion of the Secretary (pars. 1747 and 1808).

#### *Section 11. Supplies and equipment for vessels and aircraft*

Subsection (a) amends section 309 (a) and (b) of the Tariff Act so as to extend the exemption from payment of duty and internal revenue tax now available to supplies for certain vessels and aircraft withdrawn from bonded warehouses, bonded manufacturing warehouses, or con-



tinuous customs custody elsewhere to supplies withdrawn from foreign trade zones. It also accords free entry for equipment withdrawn for foreign vessels. Further, it enlarges the classes of vessels and aircraft now covered to include all vessels and aircraft operated by the United States.

Subsection (b) amends section 317 (b) of the Tariff Act to extend to foreign ships the exemption from payment of duty and internal revenue tax now available for supplies used in the maintenance or repair of aircraft. The bill also provides an exemption for ground equipment for foreign flag aircraft from duties and taxes imposed on or by reason of importation.

Section 3115 of the Revised Statutes, as amended, provides for the remission or refund of duties for repairs to American vessels and the materials used therein when such a vessel is compelled, by stress of weather or other casualty, to put into a foreign port and purchase equipment or make repairs to secure the safety and seaworthiness of the vessel in order to enable her to reach her port of destination. Section 11 (c) of the bill would amend section 3115 by adding a new subparagraph (3) to extend such exemption from duty to equipment, or parts thereof, or materials, or labor, used as dunnage for cargo, or for the packing or shoring thereof, or in the erection of bulkheads or other similar devices for the control of bulk cargo, or in the preparation of tanks for the carriage of liquid cargo. The committee has been advised that these provisions of the bill would be beneficial to foreign trade in American-flag vessels and that they would cause no actual loss of business to our shipyards.

#### *Section 12. Drawback*

Subsection (a) amends section 313 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1313), to extend from 1 year to 3 years the period during which substitution for drawback purposes may be made.

Section 313 (c) of the Tariff Act provides that upon the exportation of merchandise not conforming to samples or specifications upon which duties have been paid and which, within 30 days after release from customs custody, is returned to customs custody for exportation, the full amount of the duties paid upon such merchandise shall be refunded as drawback, less 1 percent of such duties. Subsection (b) of section 12 of the bill inserts new language in section 313 (c) to provide for the refunding of duties in such cases where the merchandise upon which the duties have been paid was sent to the consignee without his consent and extends the period during which the merchandise can be returned to customs custody for exportation from 30 to 90 days or such longer period as the Secretary of the Treasury may allow. The purpose of the amendment is to prevent hardship in cases when the American consignee has paid duty on goods he did not order and wishes to return; and to extend the time for return to customs custody to a period reasonably adequate for discovery of latent defects or those which can only be ascertained by test or use. The present 30 days is not sufficient for these purposes, and cases of hardship to American purchasers occur frequently.

Subsection (c) further amends section 313 (b) of the Tariff Act of 1930 to delete obsolete cross-references and to extend from 3 to 5 years the period during which an article must be exported in order to receive the benefits of drawback.



Subsection (c) also amends section 313 (i) to broaden the authority of the Secretary of the Treasury to make any necessary regulations for the administration of the drawback provisions.

### *Section 13. Administrative exemptions*

Section 321 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1321), authorizes the Secretary of the Treasury to disregard a difference of less than \$1 between the total duties or taxes deposited or assessed with respect to any entry of merchandise and the total amount of duties or taxes accrued thereon. It further authorizes him to admit articles free of duty when the expense and inconvenience of collecting the duty or tax would be disproportionate to the amount of such duty but it limits the amount imported by 1 person on 1 day and exempted from the payment of duty under this section to not over \$5 in value in the case of articles accompanying and for the personal or household use of persons arriving in the United States, or \$1 in value in any other case. Section 13 amends section 321 to (1) increase from \$1 to \$3 the difference between deposited or assessed duties and actual duties which may be disregarded; (2) permit free entry of bona fide gifts from persons outside the United States to persons inside the United States up to \$10; (3) allow persons to bring with them articles up to \$10 in value for their personal use; and (4) continue to allow free entry up to \$1 in other cases. However, the Secretary would be enabled to reduce these amounts if he finds it necessary to protect the revenue.

The section is intended to avoid dissipating customs manpower in assessing and collecting duties in trivial amounts without reducing the protection afforded to domestic producers.

### *Section 14. International traffic and rescue work*

This section adds a new section, 322, to the Tariff Act of 1930, to grant explicitly to international traffic the customary and usual exceptions from customs requirements, now recognized implicitly by the first parenthetical matter in section 308 (5) of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1308 (5)). The customary exceptions are outlined beginning on page 269 of United States Import Duties (1952). It would also permit the free entry of search, rescue, and salvage aircraft, and the temporary admission of equipment and supplies for fire fighting and disaster relief.

### *Section 15. Value*

The present section 402 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1402) tells how appraisers shall determine the value of imported merchandise for the purpose of assessing duties. Briefly, it provides that the "foreign value" or the "export value" shall be used, whichever is the higher, but that if neither of these can be ascertained, then the "United States value," and if that also is unascertainable, then the "cost of production." In a few special cases, the rate of duty is to be based upon the "American selling price." Decisions of the appraiser are reviewable in the Customs Court. The statute then goes on to define the "foreign value" as the market value or price at the time of exportation to the United States—

at which such or similar merchandise is freely offered for sale for home consumption to all purchasers \* \* \* in the usual wholesale quantities and in the ordinary course of trade \* \* \*.

Other costs, charges, and expenses incident to placing the merchandise ready for shipment are also to be added. The "export value" is the price at which the merchandise is freely offered for sale to all purchasers in the usual wholesale quantities and in the ordinary course of trade for exportation to the United States, with the same charges added. The "United States value" is the freely offered price in the United States which is available to all purchasers, for the usual wholesale quantities and in the ordinary course of trade, with allowance for duty and other expenses, a commission not exceeding 6 percent, if any has been paid, and allowance for profit not to exceed 8 percent. The "cost of production" is defined as the sum of four items: (1) Cost of materials and fabrication or manipulation; (2) the usual general expenses not less than 10 percent; (3) the cost of containers and coverings and other incidental costs and charges; and (4) an addition for profit not less than 8 percent. The "American selling price" of an article manufactured or produced in the United States is the price at which the article is freely offered for sale for domestic consumption to all purchasers.

Section 15 effects the following changes in the law as above stated:

(1) Eliminates the use of "foreign value" and makes the "export value" the preferred method of valuation if it can be determined.

(2) If neither "export value" nor "United States value" can be determined, appraisement is to be made on "comparative value" before resort is had to "cost of production", which term is changed by this section to "constructed value", a more descriptive term.

(3) In determining "United States value", the actual commissions, profits, and other deductions are to be used, not arbitrarily limited amounts.

(4) In determining "United States value" of articles for which there is no market price at the time of exportation, the earliest actual sales of the merchandise undergoing appraisement or similar merchandise may be considered if made before the expiration of 90 days after importation.

(5) A definition of "comparative value" is furnished which states that it is to be the equivalent of "export value" determined from sales or offers of other merchandise which is comparable in construction and use with the merchandise undergoing appraisement. In the case of "constructed value" the actual addition for general expenses, profit, and so forth, are to be used, not prescribed percentages which may exceed the actual figures.

(6) The appraiser may use actual sales instead of offers in determining "export value," "United States value," or "comparative value."

(7) A definition of "freely sold or in the absence of sales offered for sale" is provided for the first time. It will permit determination of an "export value," "United States value," or "comparative value" on the basis of sales or offers which are unrestricted except for restrictions which are imposed or required by law, which limit the resale price or territory, or which are trivial with respect to the value of the merchandise to the purchaser. It will also permit the use of sales to exclusive agents and other restricted sales where such limitations do not affect the price. The present statute has been interpreted to make a "foreign value," "export value," or "United States value"



unusable when the only offers made are subject to restrictions of the kinds stated. Furthermore, under the present law the price, in order to qualify, must be available to all purchasers.

(8) The bill also provides definitions for the terms "ordinary course of trade," "purchasers at wholesale," "such or similar merchandise," and "usual wholesale quantities." The term "usual wholesale quantities" is defined in such a manner as to mean the quantities in which the greatest aggregate quantity of the merchandise is sold, whereas under the present law the usual wholesale quantity is the quantity in which the largest number of individual transactions occur.

Certain references to the customs appraisers, and to appeals to reappraisal in the Customs Court, are eliminated for conciseness. No change in the functions of appraisers or court is effected, since these are provided for elsewhere in the tariff act and in the Judicial Code. The bill does not confer any unreviewable discretion on any officer of the Department. The superfluous word "costs" is eliminated from the phrase "costs, charges, and expenses," which occurs repeatedly in the existing section 402; here, too, no substantive change is effected.

#### *Section 16. Signing and delivery of manifests*

By reason of the language now in section 431 of the tariff act (U. S. C., 1946 edition, title 19, sec. 1431) the pilot of an aircraft is the only person who may now be required to execute and deliver a manifest for the craft. Section 16 amends section 431 to provide that the authorized agent of an air carrier may be responsible for signing and delivering the plane's manifest, instead of the pilot.

#### *Section 17. Certified invoices and entry of merchandise*

Section 17 (a) of the bill amends section 482 (a) of the Tariff Act (U. S. C., 1946 edition, title 19, sec. 1482 (a)) to correspond to the amendment made by section 17 (c), explained below.

Section 484 (a) of the Tariff Act (U. S. C., 1946 edition, title 19, sec. 1484 (a)) provides that entry of merchandise must be made within 48 hours, exclusive of Sundays and holidays, after the arrival of the importing vessel or vehicle, unless a longer period is authorized. Section 17 (b) of the bill amends section 484 (a) of the Tariff Act to extend this period to 5 days.

Section 484 (b) of the Tariff Act (U. S. C., 1946 edition, title 19, sec. 1484 (b)) provides that all merchandise entered shall be accompanied by an invoice certified by a United States consulate except in certain enumerated situations and further provides that the Secretary of the Treasury may grant further exceptions. Section 17 (c) amends section 484 (b) to grant the Secretary discretion to require certified invoices with respect to such merchandise as he deems advisable and to establish terms under which merchandise may be imported without a certified invoice. This amendment will permit the Secretary of the Treasury to make a thorough study of the utility of certified invoices, to require them only where they serve a useful purpose, and, if feasible, to eliminate them entirely.

Section 498 (a) (1) of the Tariff Act (U. S. C., 1946 edition, title 19, sec. 1498 (a) (1)) authorizes the Secretary of the Treasury to permit informal entries up to \$100 in value. Section 17 (d) of the bill amends section 498 (a) (1) to increase the figure to \$250.



Section 17 (e) of the bill deletes an obsolete reference to the act of June 8, 1896, and adds a new paragraph to section 498 of the tariff act to permit informal entry of merchandise covered by paragraph 1631 of the tariff act (that is, books, maps, and certain other articles imported by religious, educational, and like institutions), without regard to the value of the shipments.

The act of June 8, 1896 (U. S. C., 1946 edition, title 19, secs. 472-475), provides for special delivery and appraisement of imported articles of limited value and weight. Section 17 (f) of the bill repeals this act, which has not been used for over 50 years.

#### *Section 18. Verification of documents*

Section 18 of the bill adds new material to section 486 of the Tariff Act (U. S. C., 1946 edition, title 19, sec. 1486) to authorize the Secretary of the Treasury to permit by regulation all documents required in the administration of laws by the customs service to be verified by a written declaration in lieu of any oath now required by law. The Secretary has similar authority under section 3809 (c) of the Internal Revenue Code, with reference to documents required under the internal-revenue laws.

#### *Section 19. Amendment of entries*

Subsection (a) amends section 487 of the Tariff Act to eliminate the present provision for amendment of entries to increase or decrease the entered value at any time before appraisement of the merchandise. Such amendments of entries represent a burden of paperwork on the customs service, and in view of the proposed amendments to sections 489, 501, and 503 of the Tariff Act made by section 19 the importers will no longer need to amend their entries to protect their interests.

Section 489 provides, in its first 2 paragraphs, for an undervaluation duty of 1 percent of the final appraised value of the merchandise for each 1 percent that such final value exceeds the value as "entered" by the importer. This undervaluation duty is not a penalty and it cannot be remitted, except in the case of a clerical error by the Treasury Department, or in a case in which the Customs Court finds, on the basis of satisfactory evidence, that the entry of the merchandise at less than the appraised value was without intention to defraud the revenue of the United States or conceal facts or to deceive the appraiser. Section 489 also provides that if the appraised value exceeds the entered value by more than 100 percent, the entry will be presumptively fraudulent, and the merchandise is to be subject to seizure and forfeiture. Subsection (b) of section 19 of the bill repeals these parts of section 489.

Subsection (e) amends section 501 of the present act to require additional notices of appraisement. Under present law, notice is given in most cases only if the appraiser "advances" the entered value, and amendments to entries are at times necessary to assure that notice will be given and judicial review thus made available. Subsection (c) also amends section 501 of the Tariff Act to make it clear that all determinations entering into the decision of the appraiser are subject to judicial review. The language of the amendment conforms to the language in section 514 of the Tariff Act relating to judicial review pursuant to protest against a collector's decision.

The amendment to section 503 by subsection (d) of section 19 of the bill is a companion to the preceding subsections and should be con-

sidered with them. Sections 489 and 503 of the present law, taken together, provide that an importer shall set a value on his merchandise. If he fixes too low a figure an undervaluation duty will be levied, and if to be on the safe side he fixes it too high, he can take no benefit from the final appraisement. The amendment does away with this anomaly, and is also necessary to make the change in section 487 (abolishing the amendment of entries) possible without unfairness to importers.

#### *Section 20. Commingled merchandise*

Section 508 of the Tariff Act (U. S. C., 1946 ed., title 19, sec. 1508) provides that where dutiable merchandise and merchandise which is free of duty or merchandise subject to different rates of duty are so packed together or mingled that the quantity of each class cannot be determined, the whole of such merchandise shall be subject to the highest rate of duty applicable to any part thereof, unless the importer or consignee shall segregate such merchandise at his own risk and expense under customs supervision within 10 days after entry thereof.

Section 20 of the bill continues with certain exceptions the application of the highest rate of duty on unsegregated commingled merchandise and enumerates the means which the customs officer may use to segregate the respective classes of commingled merchandise. It extends the period during which the segregation must be accomplished to 30 days after the date of personal delivery or mailing of written notice to the consignee that the merchandise is commingled. Furthermore, the Secretary is authorized in his discretion to extend the period. Subsection (c) excepts from the operation of this section any part of the shipment when satisfactory proof is furnished by the consignee or his agent that such part is commercially negligible, is not capable of segregation without excessive cost, will not be segregated prior to its use in a manufacturing process or otherwise, and was not commingled to avoid the payment of lawful duties. Any merchandise meeting all these conditions shall be considered subject to the next lower rate of duty (including a free rate of duty) applicable to the merchandise with which it is commingled.

Similarly, subsection (d) excepts from the operation of this section any shipment when satisfactory proof is furnished by the consignee or agent that the value of the commingled merchandise is less than the aggregate value would be if the shipment were segregated, that the shipment is not capable of segregation without excessive cost and will not be segregated prior to its use, and was not commingled with an intent to avoid the payment of lawful duties. Merchandise meeting all these conditions is subject to duty at the rate (including a free rate) applicable to material present in greater quantity than any other material. This subsection is designed specifically to take care of waste-material imports.

#### *Section 21. Correction of errors and mistakes*

Section 520 (c) (1) of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1520 (c) (1)), provides that, notwithstanding the fact that a valid protest was not filed, the Secretary of the Treasury may authorize a collector to reliquidate an entry to correct a clerical error in any entry or liquidation which is discovered within 1 year



after the date of entry or within 60 days after liquidation when liquidation is made more than 10 months after the date of entry. Section 21 (a) of the bill amends section 520 (c) (1) to extend this relief provision to cover situations involving clerical errors, mistakes of fact, or any other inadvertence not amounting to an error in the construction of a law, in any entry, liquidation, appraisement, or other customs transaction, when such error, mistake, or other inadvertence is adverse to the importer and is manifest from the record or established by written evidence.

Section 520 (c) (2) of the tariff act permits the reliquidation of an entry to correct an assessment of duty on household or personal effects which by law were not subject to duty. Section 21 (b) of the bill amends section 520 (c) (2) to permit correction of assessments of duty on household or personal effects which are subject to duty.

### *Section 22. Conversion of currency*

Section 23 would make substantial changes in the procedure dealing with the conversion of foreign currencies for customs purposes, but the result aimed at is the same as under present law.

Since 1894, the Secretary of the Treasury has been required to proclaim quarterly "the values of the standard coins in circulation of the various nations of the world," based upon estimates of the Director of the Mint. These proclamations now serve little function. Customs duties are rarely based upon these values, because alternative statutory provisions come into play. The proclaimed list has shrunk from year to year as foreign countries do not even reply to the Bureau of the Mint's routine questionnaires on the legal metallic content of their coins. Section 22 repeals this archaic requirement.

The statutory provision which, in fact, has governed currency conversions in recent years is section 522 (c) of the Tariff Act of 1930, which provides, in substance, that the Federal Reserve Bank of New York shall make daily certifications of commercial rates of exchange based upon market rates in New York, and that currency conversions for customs purposes shall be made in accordance with these certifications whenever the certified rates vary by 5 percent or more from the metallic rates proclaimed by the Secretary of the Treasury. Since in almost all cases the rates certified by the bank do vary by more than 5 percent (generally by very much more), the effective rates used have been, for all practical purposes, the certified rates.

Subsection (a) of section 522, as amended by the bill, requires the Secretary of the Treasury to keep current a published list of par values which he finds are maintained by foreign countries for their respective currencies. These par values would be used whenever for customs purposes it is necessary to convert into an amount in United States currency any amount expressed in foreign currency, except when there are one or more rates of exchange which vary by more than 5 percent from the par value. In such a case the list would indicate the existence of such rates and the applicable rate would then be determined as provided in subsection (b) of section 522 of the tariff act.

Subsection (b) of section 522 of the tariff act deals with situations in which no par value is maintained and it would continue the present system for currency conversion. Subsection (b) is very much the same as subsection (c) of existing law. The differences relate to



such matters of detail as taking account of the fact that banks may close generally on Saturdays, as well as Sundays and holidays, and recognizing that the Federal Reserve Bank of New York may at times find it necessary to calculate rates of exchange from transactions in foreign markets, such as Zurich, when there are no quotations for the day available for New York. Basically, this subsection maintains the present arrangements for currencies for which there is not an accepted par value.

Subsection (c) of section 522 of the Tariff Act, as amended by the bill, makes explicit a practice which has been followed for several years, as a result of the decision of the Supreme Court in *Barr v. United States* (1945) (324 U. S. 83). It recognizes that certain foreign currencies are subject to multiple rates of exchange, and permits multiple certification and the application of the rate among those certified which reflects the commercial value of the foreign currency as related to the import in question. Subsection (c) is applicable only to those currencies covered by subsection (b), i. e., those for which there is no accepted par value, and those covered by subsection (d).

Subsection (d) of section 522 of the Tariff Act, as amended by the bill, deals with the case of multiple rates of exchange for currencies of countries which maintain a par value. In such cases, the subsection would require the Secretary of the Treasury, in publishing the list of par values pursuant to subsection (a), to identify the currencies in the list which also have one or more rates of exchange which vary by more than 5 percent from the par value listed. Under the subsection, the currencies for which there are multiple rates of exchange as well as an established par value as indicated by the list, would be handled in exactly the same way as multiple-rate currency under subsection (c).

As an incidental change to the elimination of proclaimed value, subsections (b) and (c) of section 22 of the bill deletes the statutory requirement that invoices state the kind of currency, "whether gold, silver, or paper."

### *Section 23. Transfers of goods in bonded warehouse*

Section 557 (b) of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1557 (b)), permits the transfer of the right to withdraw goods in bonded warehouses and makes such transfers irrevocable in cases where the transferee, in the bond provided for in that section, assumes the customs obligations of the transferor with respect to the transferred merchandise. It further provides that the transferee is entitled to receive all refunds of moneys paid by him and shall have all rights to file protests under section 514 of the Tariff Act of 1930, "which would otherwise be possessed by the transferor."

Judicial interpretations of section 557 (b) have conferred new rights of protest on transferees and necessitated liquidations and increased recordkeeping by the Treasury Department in behalf of such persons. Section 23 of the bill amends section 557 (b) to provide that all transfers shall be irrevocable; that in the case of each transfer the transferee shall file a bond undertaking to pay all unpaid duties, taxes, charges, and exactions on the merchandise the subject of the transfer; and that a transferee shall have no right to file a protest under section 514, or to a separate liquidation in his behalf, unless the rate of duty, tax,

charge, or exaction has been changed pursuant to statute or proclamation after the right to withdraw the merchandise was transferred to him.

#### *Section 24. Customs supervision*

Section 24 adds a new section to the Tariff Act of 1930 to permit the Secretary of the Treasury in his discretion to determine the degree of supervision by customs officers to be maintained with reference to activities which are required to be carried out under customs supervision. This section ratifies and confirms existing practice. It does not authorize relaxation of any safeguards against smuggling.

#### *Section 25. Saving clause*

This section is intended to maintain the status quo on rights and liabilities already accrued under acts which would be repealed or modified by the bill.

### CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

### TARIFF ACT OF 1930, AS AMENDED

#### PAR. 27. Coal-tar products:

(a) (1) \* \* \*

\* \* \* \* \*

(c) The ad valorem rates provided in this paragraph shall be based upon the American selling price (as defined in [subdivision (g)] *subdivision (f)* of section 402, Title IV), of any similar competitive article manufactured or produced in the United States. If there is no similar competitive article manufactured or produced in the United States then the ad valorem rate shall be based upon the United States value, as defined in [subdivision (e)] *subdivision (c)* of section 402, Title IV.

\* \* \* \* \*

#### PAR. 28. Coal-tar products:

(a) \* \* \*

\* \* \* \* \*

(c) The ad valorem rates provided in this paragraph shall be based upon the American selling price (as defined in [subdivision (g)] *subdivision (f)* of section 402, Title IV), of any similar competitive article manufactured or produced in the United States. If there is no similar competitive article manufactured or produced in the United States then the ad valorem rate shall be based upon the United States value, as defined in [subdivision (e)] *subdivision (c)* of section 402, Title IV.

\* \* \* \* \*

(f) It shall be unlawful to import or bring into the United States any such color, dye, stain, color acid, color base, color lake, leuco-compound, indoxyl, or indoxyl compound unless [the immediate container and] the invoice shall bear a plain, conspicuous, and truly descriptive statement of the identity and percentage, exclusive of diluents, of such color, dye, stain, color acid, color base, color lake, leuco-compound, indoxyl, or indoxyl compound contained therein.

\* \* \* \* \*

PAR. 354. Penknives, pocketknives, clasp knives, pruning knives, budding knives, erasers, manicure knives, and all knives by whatever name known, including such as are denominatively mentioned in this Act, which have folding or other than fixed blades or attachments, valued at not more than 40 cents per



dozen, 1¼ cents each and 50 per centum ad valorem; valued at more than 40 and not more than 50 cents per dozen, 5 cents each and 50 per centum ad valorem; valued at more than 50 cents and not more than \$1.25 per dozen, 11 cents each and 55 per centum ad valorem; valued at more than \$1.25 and not more than \$3 per dozen, 18 cents each and 55 per centum ad valorem; valued at more than \$3 and not more than \$6 per dozen, 25 cents each and 50 per centum ad valorem; valued at more than \$6 per dozen, 35 cents each and 55 per centum ad valorem; blades, handles, or other parts of any of the foregoing knives or erasers shall be dutiable at not less than the rate herein imposed upon knives and erasers valued at more than 50 cents and not exceeding \$1.25 per dozen; cuticle knives, corn knives, nail files, tweezers, manicure or pedicure nippers, and parts thereof, finished or unfinished, by whatever name known, 60 per centum ad valorem: *Provided*, That any of the foregoing, if imported in the condition of assembled, but not fully finished, shall be dutiable at not less than the rate of duty herein imposed upon fully finished articles of the same material and quality, but not less in any case than 15 cents each and 55 per centum ad valorem: *Provided further*, That all the articles specified in this paragraph, when imported, shall have the name of the maker or purchaser and beneath the same the name of the country of origin die sunk conspicuously and indelibly on the shank or tang of at least one or, if practicable, each and every blade thereof].

PAR. 355. Table, butchers', carving, cooks', hunting, kitchen, bread, cake, pie, slicing, cigar, butter, vegetable, fruit, cheese, canning, fish, carpenters' bench, curriers', drawing, farriers', fleshing, hay, sugar-beet, beet-topping, tanners', plumbers', painters', palette, artists', shoe, and similar knives, forks, and steels, and cleavers, all the foregoing, finished or unfinished, not specially provided for, with handles of mother-of-pearl, shell, ivory, deer, or other animal horn, silver, or other metal than aluminum, nickel silver, iron or steel, 16 cents each; with handles of hard rubber, solid bone, celluloid, or any pyroxylin, casein, or similar material, 8 cents each; with handles of any other material, if less than four inches in length, exclusive of handle, 2 cents each; if four inches in length or over, exclusive of handle, 8 cents each; any of the foregoing without handles, with blades less than six inches in length, 2 cents each; with blades six inches or more in length, 8 cents each; and in addition thereto, on all the foregoing, 45 per centum ad valorem: *Provided*, that all articles specified in this paragraph when imported, shall have the name of the maker or purchaser and beneath the same the name of the country of origin die sunk legibly and indelibly upon the blade in a place that shall not be covered].

\* \* \* \* \*

PAR. 357. Nail, barbers', and animal clippers, pruning and sheep shears, and all scissors and other shears, and blades for the same, finished or unfinished, valued at not more than 50 cents per dozen, 3½ cents each and 45 per centum ad valorem; valued at more than 50 cents and not more than \$1.75 per dozen, 15 cents each and 45 per centum ad valorem; valued at more than \$1.75 per dozen, 20 cents each and 45 per centum ad valorem: *Provided*, That all articles specified in this paragraph, when imported, shall have die sunk conspicuously and indelibly, the name of the maker or purchaser and beneath the same the name of the country of origin, to be placed on the outside of the blade, between the screw or rivet and the handle of scissors and shears (except pruning and sheep shears), and on the blade or handle of pruning and sheep shears and clippers].

PAR. 358. Safety razors and safety-razor handles and frames, 10 cents each and 30 per centum ad valorem; razors and parts thereof, finished or unfinished, valued at less than 75 cents per dozen, 18 cents each; valued at 75 cents and less than \$1.50 per dozen, 25 cents each; valued at \$1.50 and less than \$3 per dozen, 30 cents each; valued at \$3 and less than \$4 per dozen, 35 cents each; valued at \$4 or more per dozen, 45 cents each; and in addition thereto, on all the foregoing, 30 per centum ad valorem; blades for safety razors, in strips, one-half of 1 cent each and 30 per centum ad valorem; all other, finished or unfinished, 1 cent each and 30 per centum ad valorem: *Provided*, That all articles specified in this paragraph, when imported, shall have the name of the maker or purchaser and beneath the same the name of the country of origin die sunk conspicuously and indelibly on the blade or shank or tang of each and every blade and on safety razors and parts thereof].

PAR. 359. Surgical instruments, and parts thereof, including hypodermic needles, hypodermic syringes, and forceps, composed wholly or in part of iron, steel, copper, brass, nickel, aluminum, or other metal, finished or unfinished, 55 per centum ad valorem, unless in chief value of glass, in which case the rate shall be 70 per centum ad valorem; dental instruments, and parts thereof, including hypodermic needles,



hypodermic syringes, and forceps, wholly or in part of iron, steel, copper, brass, nickel, aluminum, or other metal finished or unfinished, 35 per centum ad valorem, unless in chief value of glass, in which case the rate shall be 60 per centum ad valorem: *Provided*, That all articles specified in this paragraph, when imported, shall have the name of the maker or purchaser and beneath the same the name of the country of origin die sunk conspicuously and indelibly on the outside, or if a jointed instrument on the outside when closed].

PAR. 360. Scientific and laboratory instruments, apparatus, utensils, appliances (including surveying and mathematical instruments), and parts thereof, wholly or in chief value of metal, and not plated with gold, silver, or platinum, finished or unfinished, not specially provided for, 40 per centum ad valorem; drawing instruments, and parts thereof, wholly or in chief value of metal, 45 per centum ad valorem: *Provided*, That all articles specified in this paragraph, when imported, shall have the name of the maker or purchaser and beneath the same the name of the country of origin die sunk conspicuously and indelibly on the outside, or if a jointed instrument on the outside when closed].

PAR. 361. Slip-joint pliers, 60 per centum ad valorem; other pliers, pincers, and nippers, and hinged hand tools for holding and splicing wire, finished or unfinished, valued at not more than \$2 per dozen, 5 cents each and 60 per centum ad valorem; valued at more than \$2 per dozen, 10 cents each and 60 per centum ad valorem: *Provided*, That all articles specified in this paragraph, when imported, shall have the name of the maker or purchaser and beneath the same the name of the country of origin die sunk conspicuously and indelibly on the outside of the joint].

\* \* \* \* \*

PAR. 391. Lead-bearing ores, flue dust, and mattes of all kinds, 1½ cents per pound on the lead contained therein: *Provided*, That such duty shall not be applied to the lead contained in copper, gold, or silver ores, or copper mattes, unless actually [recovered: *Provided further*, That on all importations of lead-bearing ores, flue dust, and mattes, of all kinds the duties shall be estimated at the port of entry and a bond given in double the amount of such estimated duties for the transportation of the ores, flue dust, or mattes by common carriers bonded for the transportation of appraised or unappraised merchandise to properly equipped sampling or smelting establishments, whether designated as bonded warehouses or otherwise. On the arrival of the ores, flue dust, or mattes at such establishments they shall be sampled according to commercial methods under the supervision of Government officers who shall be stationed at such establishments, and who shall submit the samples thus obtained to a Government assayer, designated by the Secretary of the Treasury, who shall make a proper assay of the sample and report the result to the proper customs officers, and the import entries shall be liquidated thereon. And the] *recovered*. The Secretary of the Treasury is authorized to make all necessary regulations to enforce the provisions of this paragraph.

\* \* \* \* \*

PAR. 393. Zinc-bearing ores of all kinds, except pyrites containing not more than 3 per centum zinc, 1½ cents per pound on the zinc contained therein: *Provided*, That such duties shall not be applied to the zinc contained in lead or copper ores unless actually [recovered: *Provided further*, That on all importations of zinc-bearing ores the duties shall be estimated at the port of entry, and a bond given in double the amount of such estimated duties for the transportation of the ores by common carriers bonded for the transportation of appraised or unappraised merchandise to properly equipped sampling or smelting establishments, whether designated as bonded warehouses or otherwise. On the arrival of the ores at such establishments they shall be sampled according to commercial methods under the supervision of Government officers, who shall be stationed at such establishments, and who shall submit the samples thus obtained to a Government assayer, designated by the Secretary of the Treasury, who shall make a proper assay of the sample and report the result to the proper customs officers, and the import entries shall be liquidated thereon. And the] *recovered*. The Secretary of the Treasury is authorized to make all necessary regulations to enforce the provisions of this paragraph.

\* \* \* \* \*

PAR. 812. No lower rate or amount of duty shall be levied, collected, and paid on the articles enumerated in paragraph 802 of this schedule than that fixed by law for the description of first proof; but it shall be increased in proportion for any greater strength than the strength of first proof, and all imitations of brandy,

spirits, or wines imported by any names whatever shall be subject to the highest rate of duty provided for the genuine articles respectively intended to be represented, and in no case less than \$5 per proof gallon【: *Provided*, That any brandy or other spirituous or distilled liquors imported in any sized cask, bottle, jug, or other package, of or from any country, dependency, or province under whose laws similar sized casks, bottles, jugs, or other packages of distilled spirits, wine, or other beverage put up or filled in the United States are denied entrance into such country, dependency, or province, shall be forfeited to the United States】.

\* \* \* \* \*

PAR. 1553. All thermostatic bottles, carafes, jars, jugs, and other thermostatic containers, or blanks and pistons of such articles, of whatever material composed, constructed with a vacuum or partially vacuum insulation space to maintain the temperature of the contents, whether imported, finished, or unfinished, with or without a jacket or casing of metal or other material, shall be subject to the following rates of duty, namely: Having a capacity of one pint or less, 15 cents each; having a capacity of more than one pint and not more than two pints, 30 cents each; having a capacity of more than two pints, 30 cents each and in addition thereto 5 cents for each pint or fraction thereof by which the capacity exceeds two pints; and in addition thereto, on all the foregoing, 45 per centum ad valorem; parts of any of the foregoing not including those above mentioned, 55 per centum ad valorem 【: *Provided*, That all articles specified in this paragraph when imported shall have the name of the maker or purchaser and beneath the same the name of the country of origin legibly, indelibly and conspicuously etched with acid on the glass part, and die stamped on the jacket or casing of metal or other material, in a place that shall not be covered thereafter: *Provided further*, That each label, wrapper, box, or carton in which any of the foregoing are wrapped or packed, when imported, shall have the name of the maker or purchaser and beneath the same the name of the country of origin legibly, indelibly, and conspicuously stamped or printed thereon】.

\* \* \* \* \*

【PAR. 1607. Animals and poultry, brought into the United States temporarily for a period not exceeding six months, for the purpose of breeding, exhibition, or competition for prizes offered by any agricultural, polo, or racing association; but a bond shall be given in accordance with regulations prescribed by the Secretary of the Treasury; also teams of animals, including their harness and tackle, and the wagons or other vehicles actually owned by persons emigrating from foreign countries to the United States with their families, and in actual use for the purpose of such emigration, under such regulations as the Secretary of the Treasury may prescribe; and wild animals and birds intended for exhibition in zoological collections for scientific or educational purposes, and not for sale or profit.】

PAR. 1607. (a) *Teams of animals, including their harness and tackle, and the wagons or other vehicles actually owned by persons emigrating from foreign countries to the United States with their families, and in actual use for the purpose of such emigration, under such regulations as the Secretary of the Treasury may prescribe.*

(b) *Wild animals and birds intended for exhibition in zoological collections for scientific or educational purposes, and not for sale or profit.*

\* \* \* \* \*

PAR. 1615. (a) \* \* \*

\* \* \* \* \*

(f) Upon the entry for consumption or withdrawal from warehouse for consumption of any article previously exported, which is excepted from free entry under this paragraph by the foregoing subparagraph (e) and is not otherwise exempted from the payment of duty, there shall be levied, collected, and paid thereon, in lieu of any other duty or tax, a duty equal to the total duty and internal-revenue tax, if any, then imposed with respect to the importation of like articles not previously exported from the United States, but in no case in excess of the sum of customs drawback, if any, proved to have been allowed upon the exportation of such article from the United States plus the amount of the internal-revenue tax, if any, imposed at the time such article is entered for consumption or withdrawn from warehouse for consumption upon the importation of like articles not previously exported from the United States. Manufactured tobacco subject to duty hereunder shall be retained in customs custody until internal-revenue stamps in payment of any part of the legal duties measured by a rate or amount of internal-revenue tax shall have been placed thereon. *When because of the destruction of customs records or for other cause it is imprac-*



*licable to establish whether drawback was allowed, or to determine the amount of drawback allowed, on a reimported article excepted under subparagraph (c), there shall be assessed thereon an amount of duty equal to the estimated drawback and internal-revenue tax which would be allowable or refundable if the imported merchandise used in the manufacture or production of the reimported article were dutiable or taxable at the rate applicable to such merchandise on the date of importation, but in no case more than the duty and tax that would apply if the article were originally imported. In order to facilitate the ascertainment and collection of the duty provided for in this subparagraph, the Secretary of the Treasury is authorized to ascertain and specify the amounts of duty equal to drawback or internal-revenue tax which shall be applied to articles or classes or kinds of articles, and to exempt from the assessment of duty articles or classes or kinds of articles excepted under subparagraph (c) with respect to which the collection of such duty involves expense and inconvenience to the Government which is disproportionate to the probable amount of such duty.*

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PAR. 1747. Professional books, implements, instruments, and tools of trade, occupation, or employment in the actual possession of persons emigrating to the United States owned and used by them abroad; but this exemption shall not be construed to include machinery or other articles imported for use in any manufacturing establishment, or for any other person or persons, or for sale, nor shall it be construed to include theatrical scenery, properties, and apparel; but such articles brought by proprietors or managers of theatrical exhibitions arriving from abroad, for temporary use by them in such exhibitions, and not for any other person, and not for sale, and which have been used by them abroad, shall be admitted free of duty under such regulations as the Secretary of the Treasury may prescribe; but bonds shall be given for the payment to the United States of such duties as may be imposed by law upon any and all such articles as shall not be exported within six months after such importation: *Provided*, That the Secretary of the Treasury may, in his discretion, extend such period for a further term of six months in ease application shall be made therefor].

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[PAR. 1798. Wearing apparel, articles of personal adornment, toilet articles, and similar personal effects of persons arriving in the United States; but this exemption shall include only such articles as were actually owned by them and in their possession abroad at the time of or prior to their departure from a foreign country, and as are necessary and appropriate for the wear and use of such persons and are intended for such wear and use, and shall not be held to apply to merchandise or articles intended for other persons or for sale: *Provided*, That all jewelry and similar articles of personal adornment having a value of \$300 or more, brought in by a nonresident of the United States, shall, if sold within three years after the date of the arrival of such person in the United States, be liable to duty at the rate or rates in force at the time of such sale, to be paid by such person: *Provided further*, That in case of residents of the United States returning from abroad all wearing apparel, personal and household effects, and in the case of individuals returning from abroad, all professional books, implements, instruments, and tools of trade, occupation, or employment, taken by them out of the United States to foreign countries shall be admitted free of duty, without regard to their value, upon their identity being established under appropriate rules and regulations to be prescribed by the Secretary of the Treasury: *Provided further*, That up to but not exceeding \$200 in value of articles (including distilled spirits, wines, and malt liquors aggregating not more than one wine gallon and including not more than one hundred cigars) acquired abroad by such residents of the United States as an incident of the foreign journey for personal or household use or as souvenirs or curios, but not bought on commission or intended for sale, shall be free of duty: *Provided further*, That (a) in the case of articles acquired in any country other than a contiguous country which maintains a free zone or free port, the exemption authorized by the preceding proviso shall apply only to articles so acquired by a returning resident who has remained beyond the territorial limits of the United States for a period of not less than forty-eight hours and (b) in the case of articles acquired in a contiguous country which maintains a free zone or free port, the Secretary of the Treasury shall by special regulation or instruction, the application of which may be restricted to one or more individual ports of entry, provide that the exemption authorized by the preceding proviso shall be applied only to articles acquired abroad by a returning resident who has remained beyond the territorial limits of the United States for not less than



such period (which period shall not exceed twenty-four hours) as the Secretary may deem necessary in the public interest or to facilitate enforcement at the specified port or ports of the requirement that the exemption shall apply only to articles acquired as an incident of the foreign journey: *Provided further*, That the exemption authorized by the second preceding proviso shall apply only to articles declared in accordance with regulations to be prescribed by the Secretary of the Treasury by a returning resident who has not taken advantage of the said exemption within the thirty-day period immediately preceding his return to the United States: *Provided further*, That no such special regulation or instruction shall take effect until the lapse of ninety days after the date of such special regulation or instruction: *Provided further*, That in addition to the exemption authorized by the fourth preceding proviso, a returning resident who has remained beyond the territorial limits of the United States for a period of not less than twelve days, shall be permitted to bring into the United States up to but not exceeding \$300 in value of articles (excluding distilled spirits, wines, malt liquors and cigars) acquired abroad by such resident of the United States as an incident of the foreign journey for personal or household use or as souvenirs or curios, but not bought on commission or intended for sale, free of duty: *Provided further*, That any subsequent sale, within three years after the date of the arrival of such returning resident in the United States, of articles acquired and brought into the United States pursuant to the provisions of the immediately preceding proviso shall subject the returning resident declaring the articles to double the import duty which would have been collected had this additional exemption not been in effect: *Provided further*, That the additional exemption authorized by the second preceding proviso shall apply only to articles declared in accordance with regulations to be prescribed by the Secretary of the Treasury by such returning resident who has not taken advantage of the said exemption within the six-month period immediately preceding his return to the United States: *And provided further*, That all articles exempted by this paragraph from the payment of duty shall also be exempt from the payment of any internal-revenue taxes.】

PAR. 1798. (a) *Professional books, implements, instruments, and tools of trade, occupation, or employment, when imported by or for the account of any person arriving in the United States by whom or for whose account they were taken abroad.*

(b) *In the case of any person arriving in the United States who is not a returning resident thereof—*

(1) *wearing apparel, articles of personal adornment, toilet articles, and similar personal effects; all the foregoing, if actually owned by and in the possession of such person abroad at the time of or prior to his departure for the United States, and if appropriate for his own personal use and intended only for such use and not for any other person nor for sale;*

(2) *automobiles, trailers, aircraft, motorcycles, bicycles, baby carriages, boats, horse-drawn conveyances, horses, and similar means of transportation, and the usual equipment accompanying the foregoing; any of the foregoing imported in connection with the arrival of such person and to be used in the United States only for the transportation of such person, his family and guests, and such incidental carriage of articles as may be appropriate to his personal use of the conveyance; and*

(3) *not exceeding \$200 in value of articles accompanying such a person who is in transit to a place outside United States customs territory and who will take the articles with him to such place.*

(c) *In the case of any person arriving in the United States who is a returning resident thereof—*

(1) *all personal and household effects taken abroad by him or for his account and brought back by him or for his account; and*

(2) *articles (including not more than one wine gallon of alcoholic beverages and not more than one hundred cigars) acquired abroad as an incident of the journey from which he is returning, for his personal or household use, but not imported for the account of any other person nor intended for sale, if declared in accordance with regulations of the Secretary of the Treasury, up to but not exceeding in aggregate value—*

(A) *\$200, if such person arrives from a contiguous country which maintains a free zone or free port (see subparagraph (d)), or arrives from any other country after having remained beyond the territorial limits of the United States for a period of not less than forty-eight hours, and in either case has not claimed an exemption under this subdivision (A) within the thirty days immediately preceding his arrival; and*

(B) \$300 in addition, if such person has remained beyond the territorial limits of the United States for a period of not less than twelve days and has not claimed an exemption under this subdivision (B) within the six months immediately preceding his arrival.

(d) In the case of persons arriving from a contiguous country which maintains a free zone or free port, if the Secretary of the Treasury deems it necessary in the public interest and to facilitate enforcement of the requirement that the exemption shall apply only to articles acquired as an incident of the foreign journey, he shall prescribe by regulation or instruction, the application of which may be restricted to one or more ports of entry, that the exemption authorized by subdivision (2) (A) of subparagraph (c) shall be allowed only to residents who have remained beyond the territorial limits of the United States for not less than a specified period, not to exceed twenty-four hours, and after the expiration of ninety days after the date of such regulation or instruction allowance of the said exemption shall be subject to the limitation so prescribed.

(e) Any article imported to replace a like article of comparable value previously exempted from duty under subdivision (c) of this paragraph shall be allowed free entry if the article previously exempted shall have been exported, under such supervision as the Secretary may prescribe, within sixty days after its importation because it was found by the importer to be unsatisfactory.

(f) All articles exempted by this paragraph from the payment of duty shall be exempt also from the payment of any internal-revenue tax imposed upon or by reason of importation.

(g) If any jewelry or similar articles of personal adornment having a value of \$300 or more which have been exempted from duty under subdivision (1) of subparagraph (b) or any article which has been exempted from duty under subdivision (2) (B) of subparagraph (c) is sold within three years after the date of importation, or if any article which has been exempted from duty under subdivision (2) of subparagraph (b) is sold within one year after the date of importation, without prior payment to the United States of the duty which would have been payable at the time of entry if the article had been entered without the benefit of this paragraph, such article, or its value (to be recovered from the importer), shall be subject to forfeiture. A sale pursuant to a judicial order or in liquidation of the estate of a decedent shall not be subject to the provisions of this subparagraph.

(h) The Secretary of the Treasury shall prescribe methods and regulations for carrying out the provisions of this paragraph. No exemption provided for in this paragraph shall be applied to any article which is not declared in accordance with such regulations.

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【PAR. 1808. Works of art, drawings, engravings, photographic pictures, and philosophical and scientific apparatus brought by professional artists, lecturers, or scientists arriving from abroad for use by them temporarily for exhibition and in illustration, promotion, and encouragement of art, science, or industry in the United States, and not for sale, shall be admitted free of duty, under such regulations as the Secretary of the Treasury shall prescribe; but bonds shall be given for the payment to the United States of such duties as may be imposed by law upon any and all such articles as shall not be exported within six months after such importation: *Provided*, That the Secretary of the Treasury may, in his discretion, extend such period for a further term of six months in cases where application therefor shall be made.】

PAR. 1809. Works of art, collections in illustration of the progress of the arts, sciences, agriculture, or manufactures, photographs, works in terra cotta, parian, pottery, or porcelain, antiquities and artistic copies thereof in metal or other material, imported in good faith for exhibition at a fixed place by any State or by any society or institution established for the encouragement of the arts, sciences, agriculture, or education, or for a municipal corporation, and all like articles imported in good faith by any society or association, or for a municipal corporation, for the purpose of erecting a public monument, and not intended for sale nor for any other purpose than herein expressed; but bond shall be given, under such rules and regulations as the Secretary of the Treasury may prescribe, for the payment of lawful duties which may accrue should any of the articles aforesaid be sold, transferred, or used contrary to this provision *within five years after the date of entry hereunder*, and such articles shall be subject at any time *within such five-year period* to examination and inspection by the proper officers of the customs: *Provided*, That the privileges of this [and the preceding] paragraph shall not be allowed to associations or corporations engaged in or connected with business of a private or commercial character.

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## SEC. 304. MARKING OF IMPORTED ARTICLES AND CONTAINERS.

(a) MARKING OF ARTICLES.—Except as hereinafter provided, every article of foreign origin (or its container, as provided in subsection (b) hereof) imported into the United States shall be marked in a conspicuous place as legibly, indelibly, and permanently as the nature of the article (or container) will permit in such manner as to indicate to an ultimate purchaser in the United States the English name of the country of origin of the article. The Secretary of the Treasury may by regulations—

\* \* \* \* \*

(3) Authorize the exception of any article from the requirements of marking if—

(A) Such article is incapable of being marked;

(B) Such article cannot be marked prior to shipment to the United States without injury;

(C) Such article cannot be marked prior to shipment to the United States, except at an expense economically prohibitive of its importation;

(D) The marking of a container of such article will reasonably indicate the origin of such article;

(E) Such article is a crude substance;

(F) Such article is imported for use by the importer and not intended for sale in its imported or any other form;

(G) Such article is to be processed in the United States by the importer or for his account otherwise than for the purpose of concealing the origin of such article and in such manner that any mark contemplated by this section would necessarily be obliterated, destroyed, or permanently concealed;

(H) An ultimate purchaser, by reason of the character of such article or by reason of the circumstances of its importation, must necessarily know the country of origin of such article even though it is not marked to indicate its origin;

(I) Such article was produced more than twenty years prior to its importation into the United States; [or]

(J) Such article is of a class or kind with respect to which the Secretary of the Treasury has given notice by publication in the weekly Treasury Decisions within two years after July 1, 1937, that articles of such class or kind were imported in substantial quantities during the five-year period immediately preceding January 1, 1937, and were not required during such period to be marked to indicate their origin: *Provided*, That this subdivision (J) shall not apply after September 1, 1938, to sawed lumber and timbers, telephone, trolley, electric-light, and telegraph poles of wood, and bundles of shingles; but the President is authorized to suspend the effectiveness of this proviso if he finds such action required to carry out any trade agreement entered into under the authority of the Act of June 12, 1934 (U. S. C., 1934 edition, title 19, secs. 1351–1354), as [extended.] *extended*; or

(K) *Such article cannot be marked after importation except at an expense which is economically prohibitive, and the failure to mark the article before importation was not due to any purpose of the importer, producer, seller, or shipper to avoid compliance with this section.*

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## SEC. 308. TEMPORARY FREE IMPORTATION UNDER BOND FOR EXPORTATION.

The following articles, when not imported for sale or for sale on approval, may be admitted into the United States under such rules and regulations as the Secretary of the Treasury may prescribe, without the payment of duty, under bond for their exportation within [six months] *one year* from the date of importation, which [period may, in the discretion of the Secretary of the Treasury (whether such articles are imported before or after this section becomes effective), be extended, upon application, for a further period not to exceed six months:] *period, in the discretion of the Secretary of the Treasury, may be extended, upon application, for one or more further periods which, when added to the initial one year, shall not exceed a total of three years:*

(1) \* \* \*

\* \* \* \* \*

(3) Samples (*but not including photoengraved printing plates imported to be reproduced*) solely for use in taking orders for merchandise, or for examination with a view to reproduction;



[(4) Articles intended solely for experimental purposes, and upon satisfactory proof to the Secretary that any such article has been destroyed because of its use for experimental purposes such bond may be canceled without the payment of duty;]

*(4) Articles intended solely for testing, experimental, or review purposes, including plans, specifications, drawings, blueprints, photographs, and similar articles for use in connection with experiments or for study, and upon satisfactory proof that any such article has been destroyed because of its use for any such purpose the obligation under such bond to export such articles shall be treated as satisfied;*

(5) Automobiles, motorcycles, bicycles, airplanes, airships, balloons, boats, racing shells, and similar vehicles and craft, [and horses,] and the usual equipment of the foregoing; all the foregoing which are brought temporarily into the United States by nonresidents [(A)] for the purpose of taking part in races or other specific [contests, or (B) for the transportation of such nonresidents, their families and guests, and such incidental carriage of articles as may be necessary and appropriate to the purposes of the journey but not to be used for the transportation of persons or articles for hire nor in any case primarily for the carriage of articles (but nothing in this chapter shall be construed as altering the customary exceptions of vehicles and other instruments of international traffic from the application of the customs laws); and in the case of horses, vehicles, and craft entered under this subdivision collectors of customs may, under such regulations as the Secretary of the Treasury may prescribe, defer the exaction of a bond for not to exceed ninety days (or six months in the case of such horses, vehicles, and craft from a country which accords a similar privilege to horses, vehicles, and craft from the United States) after the date of importation, but unless such horse, vehicle, or craft is exported or the bond is given within the period of such deferment, such horse, vehicle, or craft shall be subject to forfeiture] contests;

\* \* \* \* \*

[(7) Containers for compressed gases which comply with the laws and regulations for the transportation of such containers in the United States;]

*(7) Containers for compressed gases, filled or empty, and containers or other articles in use for covering or holding merchandise (including personal or household effects) during transportation and suitable for reuse for that purpose;*

\* \* \* \* \*

(9) Professional equipment, tools of trade, and camping equipment imported for their own use by nonresidents sojourning temporarily in the United States, and articles of special design for temporary use exclusively in connection with the manufacture or production of articles for [export.] export;

*(10) Animals and poultry brought into the United States for the purpose of breeding, exhibition, or competition for prizes, and the usual equipment therefor;*

*(11) Theatrical scenery, properties, and apparel brought into the United States by proprietors or managers of theatrical exhibitions arriving from abroad for temporary use by them in such exhibitions; and*

*(12) Works of art, drawings, engravings, photographic pictures, and philosophical and scientific apparatus brought into the United States by professional artists, lecturers, or scientists arriving from abroad for use by them for exhibition and in illustration, promotion, and encouragement of art, science, or industry in the United States.*

#### SEC. 309. SUPPLIES FOR CERTAIN VESSELS AND AIRCRAFT.

[(a) EXEMPTION FROM CUSTOMS DUTIES AND INTERNAL-REVENUE TAX.—Articles of foreign or domestic manufacture or production may, under such regulations as the Secretary of the Treasury may prescribe, be withdrawn from bonded warehouses, bonded manufacturing warehouses, or continuous customs custody elsewhere than in a bonded warehouse free of duty or internal-revenue tax, or from any internal revenue bonded warehouse, from any brewery, or from any winery premises or bonded premises for the storage of wine, free of internal-revenue tax for supplies (not including equipment) of vessels of war, in ports of the United States, of any nation which may reciprocate such privilege toward the vessels of war of the United States in its ports, or for supplies (not including equipment) of vessels employed in the fisheries or in the whaling business, or actually engaged in foreign trade or trade between the Atlantic and Pacific ports of the United States or between the United States and any of its possessions,

or for supplies (not including equipment) of aircraft registered in the United States and actually engaged in foreign trade or trade between the United States and any of its possessions, or for supplies (including equipment) maintenance, or repair of aircraft registered in any foreign country and actually engaged in foreign trade or trade between the United States and any of its possessions, where such trade by foreign aircraft is permitted.】

(a) *EXEMPTION FROM DUTIES AND TAXES.*—Articles of foreign or domestic origin may be withdrawn, under such regulations as the Secretary of the Treasury may prescribe, from any customs bonded warehouse, from continuous customs custody elsewhere than in a bonded warehouse, or from a foreign-trade zone free of duty and internal-revenue tax, or from any internal-revenue bonded warehouse, from any brewery, or from any winery premises or bonded premises for the storage of wine, free of internal-revenue tax—

(1) for supplies (not including equipment) of (A) vessels or aircraft operated by the United States, (B) vessels of the United States employed in the fisheries or in the whaling business, or actually engaged in foreign trade or trade between the Atlantic and Pacific ports of the United States or between the United States and any of its possessions, or (C) aircraft registered in the United States and actually engaged in foreign trade or trade between the United States and any of its possessions; or

(2) for supplies (including equipment) or repair of (A) vessels of war of any foreign nation, or (B) foreign vessels employed in the fisheries or in the whaling business, or actually engaged in foreign trade or trade between the United States and any of its possessions, where such trade by foreign vessels is permitted; or

(3) for supplies (including equipment), ground equipment, maintenance, or repair of aircraft registered in any foreign country and actually engaged in foreign trade or trade between the United States and any of its possessions, where trade by foreign aircraft is permitted. With respect to articles for ground equipment, the exemption hereunder shall apply only to duties and to taxes imposed upon or by reason of importation.

(b) *DRAWBACK.*—Articles withdrawn from bonded warehouses, bonded manufacturing warehouses, [or] continuous customs custody elsewhere than in a bonded [warehouse and] warehouse, or from a foreign-trade zone, and articles of domestic manufacture or production, laden as supplies upon [any such foreign vessel or] any such vessel or aircraft of the United States or laden as supplies (including equipment) upon, or used in the maintenance or repair of, any such foreign vessel or aircraft, shall be considered to be exported within the meaning of the drawback provisions of this Act.

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### SEC. 313. DRAWBACK AND REFUNDS.

(a) \* \* \*

(b) *SUBSTITUTION FOR DRAWBACK PURPOSES.*—If imported duty-paid sugar, or metal, or ore containing metal, or flaxseed or linseed, or flaxseed or linseed oil, and duty-free or domestic merchandise of the same kind and quality are used in the manufacture or production of articles within a period not to exceed [one year] three years from the receipt of such imported merchandise by the manufacturer or producer of such articles, there shall be allowed upon the exportation of any such articles, notwithstanding the fact that none of the imported merchandise may actually have been used in the manufacture or production of the exported articles, an amount of drawback equal to that which would have been allowable had the sugar, or metal, or ore containing metal, or flaxseed or linseed, or flaxseed or linseed oil, used therein been imported; but the total amount of drawback allowed upon the exportation of such articles, together with the total amount of drawback allowed in respect of such imported merchandise under any other provision of law, shall not exceed 99 per centum of the duty paid on such imported merchandise.

(c) *MERCHANDISE NOT CONFORMING TO SAMPLE OR SPECIFICATIONS.*—Upon the exportation of merchandise not conforming to sample or specifications or shipped without the consent of the consignee upon which the duties have been paid and which have been entered or withdrawn for consumption and, within [thirty] ninety days after release from customs custody, unless the Secretary authorizes in writing a longer time returned to customs custody for exportation, the full amount of the duties paid upon such merchandise shall be refunded as drawback, less 1 per centum of such duties.

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(h) **TIME LIMITATION ON EXPORTATION.**—No drawback shall be allowed under the provisions of this section [or of section 6 of the Act entitled “An Act temporarily to provide revenue for the Philippine Islands, and for other purposes,” approved March 8, 1902 (relating to drawback on shipments to the Philippine Islands),] unless the completed article is [exported, or shipped to the Philippine Islands, within three] *exported within five years* after importation of the imported merchandise.

[(i) **REGULATIONS.**—The Secretary of the Treasury is authorized to prescribe regulations governing (1) the identification of imported merchandise used in the manufacture or production of articles entitled to drawback of customs duties, the ascertainment of the quantity of such merchandise used, of the time when such merchandise was received by the manufacturer or producer of the exported articles, and of the amount of duties paid thereon, the determination of the facts of the manufacture or production of such articles in the United States and their exportation therefrom, the time within which drawback entries on such articles shall be filed and completed, to entitle such articles to drawback, and the payment of drawback due thereon; (2) the identification of merchandise withdrawn for consumption and returned to customs custody for exportation, the determination of the facts of nonconformity thereof to sample or specifications and of exportation thereof from the United States, and the payment of the drawback due thereon; (3) the determination and payment of drawback of internal-revenue tax on domestic distilled spirits and wines, including the requirement of such notices, bonds, bills of lading, and other evidence of payment of tax and exportation as the Secretary of the Treasury deems necessary; (4) the remission of duties on imported salt used in curing fish, including the production of proof that the salt has been so used; and (5) the refunding of duties paid upon imported salt used in curing exported meats, including the production of proof that the salt has been so used; and designating the person to whom refund or payment of drawback shall be made.]

(i) *REGULATIONS.*—*Allowance of the privileges provided for in this section shall be subject to compliance with such rules and regulations as the Secretary of the Treasury shall prescribe, which may include, but need not be limited to, the fixing of a time limit within which drawback entries or entries for refund under any of the provisions of this section or section 309 (b) of this Act shall be filed and completed, and the designation of the person to whom any refund or payment of drawback shall be made.*

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#### **[SEC. 315. EFFECTIVE DATE OF RATES OF DUTY.]**

[On and after the day when this Act shall go into effect all goods, wares, and merchandise previously imported, for which no entry has been made, and all goods, wares, and merchandise previously entered without payment of duty and under bond for warehousing, transportation, or any other purpose, for which no permit of delivery to the importer or his agent has been issued, shall be subjected to the duties imposed by this Act and to no other duty upon the entry or the withdrawal thereof. Insofar as duties are based upon the quantity of any merchandise, such duties shall, except as provided in paragraph 813 and section 562 of this Act (relating respectively to certain beverages and to manipulating warehouses), be levied and collected upon the quantity of such merchandise at the time of its importation. No administrative ruling resulting in the imposition of a higher rate of duty or charge than the Secretary of the Treasury shall find to have been applicable to imported merchandise under an established and uniform practice shall be effective with respect to articles entered for consumption or withdrawn from warehouse for consumption prior to the expiration of thirty days after the date of publication in the weekly Treasury Decisions of notice of such ruling; but this provision shall not apply with respect to the imposition of antidumping duties.]

#### **SEC 315. EFFECTIVE DATES OF RATES OF DUTY.**

(a) *Except as otherwise specially provided for, the rate or rates of duty imposed by or pursuant to this Act or any other law on any article entered for consumption or withdrawn from warehouse for consumption shall be the rate or rates in effect when the documents comprising the entry for consumption or withdrawal from warehouse for consumption and any estimated or liquidated duties then required to be paid have been deposited with the appropriate customs officer in the form and manner prescribed by regulations of the Secretary of the Treasury, except that—*

*(1) any article released under an informal mail entry shall be subject to duty at the rate or rates in effect when the preparation of the entry is completed; and*



(2) *any article which is not subject to a quantitative or tariff-rate quota and which is covered by an entry for immediate transportation made at the port of original importation under section 552 of this Act, if entered for consumption at the port designated by the consignee, or his agent, in such transportation entry without having been taken into the custody of the collector under section 490 of this Act, shall be subject to the rate or rates in effect when the transportation entry was accepted at the port of original importation.*

(b) *Any article which has been entered for consumption but which, before release from customs custody, is removed from the port or other place of intended release because of inaccessibility, overcarriage, strike, act of God, or unforeseen contingency, shall be subject to duty at the rate or rates in effect when the entry for consumption and any required duties were deposited in accordance with subsection (a) of this section, but only if the article is returned to such port or place within ninety days after the date of removal and the identity of the article as that covered by the entry is established in accordance with regulations prescribed by the Secretary of the Treasury.*

(c) *Insofar as duties are based upon the quantity of any merchandise, such duties shall, except as provided in paragraph 813 and section 562 of this Act (relating respectively to certain beverages and to manipulating warehouses), be levied and collected upon the quantity of such merchandise at the time of its importation.*

(d) *No administrative ruling resulting in the imposition of a higher rate of duty or charge than the Secretary of the Treasury shall find to have been applicable to imported merchandise under an established and uniform practice shall be effective with respect to articles entered for consumption or withdrawn from warehouse for consumption prior to the expiration of thirty days after the date of publication in the weekly Treasury Decisions of notice of such ruling; but this provision shall not apply with respect to the imposition of antidumping duties.*

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#### **SEC. 317. TOBACCO PRODUCTS; SUPPLIES FOR AIRCRAFT.**

(a) \* \* \*

(b) *The shipment or delivery of any merchandise for use as supplies (including equipment) upon, or in the maintenance or repair [of, aircraft registered in any foreign country and actually engaged in foreign trade or trade between the United States and any of its possessions, where such trade by foreign aircraft is permitted,] of any vessel or aircraft described in subdivision (2) or (3) of section 309 (a) of this Act, or for use as ground equipment for any such aircraft, shall be deemed an exportation within the meaning of the customs and internal-revenue laws applicable to the exportation of such merchandise without the payment of duty or internal-revenue tax. With respect to merchandise for use as ground equipment, such shipment or delivery shall not be deemed an exportation within the meaning of the internal-revenue laws relating to taxes other than those imposed upon or by reason of importation.*

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#### **[SEC. 320. RECIPROCAL AGREEMENTS RELATING TO ADVERTISING MATTER.**

**[With the advice and consent of the President, the Secretary of the Treasury and the Postmaster General, jointly, may, on behalf of the United States, enter into a reciprocal agreement with any foreign country to provide for the entry free of duty in the respective countries of dispatches or shipments through the mails of circulars, folders, pamphlets, books, and cards, in the nature of advertising matter (except such matter as may be printed, manufactured, or produced in a foreign country, advertising the sale of articles by persons carrying on business in the United States or containing announcements relating to the merchandise or business of such persons) to individual addresses, and may, in the event any such agreement is entered into, prescribe such rules and regulations as they may deem necessary relating to the customs and postal treatment of such matter in the United States.]**

#### **SEC. 321. ADMINISTRATIVE EXEMPTIONS.**

**[Collectors of customs are authorized, under such regulations as the Secretary of the Treasury may prescribe, to disregard a difference of less than \$1 between the total estimated duties or taxes deposited, or the total duties or taxes tentatively assessed, with respect to any entry of merchandise and the total amount of duties or taxes actually accruing thereon, and to admit articles free of duty when the expense and inconvenience of collecting the duty accruing thereon would be disproportionate to the amount of such duty, but the aggregate value of articles imported by one person on one day and exempted from the payment of duty under the authority of this section shall not exceed \$5 in the case of articles accompanying, and for the personal or household use of, persons arriving in the United States, or \$1 in any other case.]**

(a) *The Secretary of the Treasury, in order to avoid expense and inconvenience to the Government disproportionate to the amount of revenue that would otherwise be collected, is hereby authorized, under such regulations as he shall prescribe, to—*

(1) *disregard a difference of less than \$3 between the total estimated duties or taxes deposited, or the total duties or taxes tentatively assessed, with respect to any entry of merchandise and the total amount of duties or taxes actually accruing thereon; and*

(2) *admit articles free of duty and of any tax imposed on or by reason of importation, but the aggregate value of articles imported by one person on one day and exempted from the payment of duty shall not exceed—*

(A) *\$10 in the case of articles sent as bona fide gifts from persons in foreign countries to persons in the United States, or*

(B) *\$10 in the case of articles accompanying, and for the personal or household use of, persons arriving in the United States who are not entitled to any exemption from duty or tax under paragraph 1798 (c) (2) of this Act, or*

(C) *\$1 in any other case.*

*The privilege of this subdivision (2) shall not be granted in any case in which merchandise covered by a single order or contract is forwarded in separate lots to secure the benefit of this subdivision (2).*

(b) *The Secretary of the Treasury is authorized by regulations to diminish any dollar amount specified in subsection (a) and to prescribe exceptions to any exemption provided for in such subsection whenever he finds that such action is consistent with the purpose of such subsection or is necessary for any reason to protect the revenue or to prevent unlawful importations.*

#### SEC. 322. INTERNATIONAL TRAFFIC AND RESCUE WORK.

(a) *Vehicles and other instruments of international traffic, of any class specified by the Secretary of the Treasury, shall be granted the customary exceptions from the application of the customs laws to such extent and subject to such terms and conditions as may be prescribed in regulations or instructions of the Secretary of the Treasury.*

(b) *The Secretary of the Treasury may provide by regulation or instruction for the admission, without entry and without the payment of any duty or tax imposed upon or by reason of importation, of—*

(1) *aircraft, equipment, supplies, and spare parts for use in searches, rescues, investigations, repairs, and salvage in connection with accidental damage to aircraft;*

(2) *fire-fighting and rescue and relief equipment and supplies for emergent temporary use in connection with conflagrations; and*

(3) *rescue and relief equipment and supplies for emergent temporary use in connection with floods and other disasters.*

*Any articles admitted under the authority of this subsection and used otherwise than for a purpose herein expressed, or not exported in such time and manner as may be prescribed in the regulations or instructions herein authorized, shall be forfeited to the United States.*

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#### SEC. 336. EQUALIZATION OF COSTS OF PRODUCTION.

(a) \* \* \*

(b) **CHANGE TO AMERICAN SELLING PRICE.**—If the commission finds upon any such investigation that such differences cannot be equalized by proceeding as hereinbefore provided, it shall so state in its report to the President and shall specify therein such ad valorem rates of duty based upon the American selling price (as defined in [section 402 (g)] section 402 (f)) of the domestic article, as it finds shown by the investigation to be necessary to equalize such differences. In no case shall the total decrease of such rates of duty exceed 50 per centum of the rates expressly fixed by statute, and no such rate shall be increased.

\* \* \* \* \*

#### [SEC. 402. VALUE.

[(a) **BASIS.**—For the purposes of this Act, the value of imported merchandise shall be—

[(1) The foreign value or the export value, whichever is higher;

[(2) If the appraiser determines that neither the foreign value nor the export value can be satisfactorily ascertained, then the United States value;

[(3) If the appraiser determines that neither the foreign value, the export value, nor the United States value can be satisfactorily ascertained, then the cost of production;



[(4) In the case of an article with respect to which there is in effect under section 336 a rate of duty based upon the American selling price of a domestic article, then the American selling price of such article.

[(b) REVIEW OF APPRAISER'S DECISION.—A decision of the appraiser that foreign value, export value, or United States value cannot be satisfactorily ascertained shall be subject to review in reappraisal proceedings under section 501, but in any such proceeding, an affidavit executed outside of the United States shall not be admitted in evidence if executed by any person who fails to permit a Treasury attache to inspect his books, papers, records, accounts, documents, or correspondence, pertaining to the value or classification of such merchandise.

[(c) FOREIGN VALUE.—The foreign value of imported merchandise shall be the market value or the price at the time of exportation of such merchandise to the United States, at which such or similar merchandise is freely offered for sale for home consumption to all purchasers in the principal markets of the country from which exported, in the usual wholesale quantities and in the ordinary course of trade, including the cost of all containers and coverings of whatever nature, and all other costs, charges, and expenses incident to placing the merchandise in condition, packed ready for shipment to the United States.

[(d) EXPORT VALUE.—The export value of imported merchandise shall be the market value or the price, at the time of exportation of such merchandise to the United States, at which such or similar merchandise is freely offered for sale to all purchasers in the principal markets of the country from which exported, in the usual wholesale quantities and in the ordinary course of trade, for exportation to the United States, plus, when not included in such price, the cost of all containers and coverings of whatever nature, and all other costs, charges, and expenses incident to placing the merchandise in condition, packed ready for shipment to the United States.

[(e) UNITED STATES VALUE.—The United States value of imported merchandise shall be the price at which such or similar imported merchandise is freely offered for sale for domestic consumption, packed ready for delivery, in the principal market of the United States to all purchasers, at the time of exportation of the imported merchandise, in the usual wholesale quantities and in the ordinary course of trade, with allowance made for duty, cost of transportation and insurance, and other necessary expenses from the place of shipment to the place of delivery, a commission not exceeding 6 per centum, if any has been paid or contracted to be paid on goods secured otherwise than by purchase, or profits not to exceed 8 per centum and a reasonable allowance for general expenses, not to exceed 8 per centum on purchased goods.

[(f) COST OF PRODUCTION.—For the purpose of this title the cost of production of imported merchandise shall be the sum of—

[(1) The cost of materials of, and of fabrication, manipulation, or other process employed in manufacturing or producing such or similar merchandise, at a time preceding the date of exportation of the particular merchandise under consideration which would ordinarily permit the manufacture or production of the particular merchandise under consideration in the usual course of business;

[(2) The usual general expenses (not less than 10 per centum of such cost) in the case of such or similar merchandise;

[(3) The cost of all containers and coverings of whatever nature, and all other costs, charges, and expenses incident to placing the particular merchandise under consideration in condition, packed ready for shipment to the United States; and

[(4) An addition for profit (not less than 8 per centum of the sum of the amounts found under paragraphs (1) and (2) of this subdivision) equal to the profit which ordinarily is added, in the case of merchandise of the same general character as the particular merchandise under consideration, by manufacturers or producers in the country of manufacture or production who are engaged in the production or manufacture of merchandise of the same class or kind.

[(g) AMERICAN SELLING PRICE.—The American selling price of any article manufactured or produced in the United States shall be the price, including the cost of all containers and coverings of whatever nature and all other costs, charges, and expenses incident to placing the merchandise in condition packed ready for delivery, at which such article is freely offered for sale for domestic consumption to all purchasers in the principal market of the United States, in the ordinary course of trade and in the usual wholesale quantities in such market, or the price



that the manufacturer, producer, or owner would have received or was willing to receive for such merchandise when sold for domestic consumption in the ordinary course of trade and in the usual wholesale quantities, at the time of exportation of the imported article.】

**SEC. 402. VALUE.**

(a) *BASIS.*—Except as otherwise specifically provided for, the value of imported merchandise for the purposes of this Act shall be—

- (1) the export value;
- (2) if the export value cannot be determined satisfactorily, then the United States value;
- (3) if neither the export value nor the United States value can be determined satisfactorily, then the comparative value; or
- (4) if neither the export value, the United States value, nor the comparative value can be determined satisfactorily, then the constructed value; but
- (5) in the case of an article with respect to which there is in effect under section 336 a rate of duty based upon the American selling price of a domestic article, the value shall be the American selling price of such domestic article.

(b) *EXPORT VALUE.*—The export value of imported merchandise shall be the market value or the price, at the time of exportation to the United States of the merchandise undergoing appraisement, at which such or similar merchandise is freely sold or, in the absence of sales, offered for sale in the principal markets of the country of exportation, in the usual wholesale quantities and in the ordinary course of trade, for exportation to the United States, plus, when not included in such price, the cost of all containers and coverings of whatever nature and all other expenses incidental to placing the merchandise in condition, packed ready for shipment to the United States.

(c) *UNITED STATES VALUE.*—The United States value of imported merchandise shall be the price, at the time of exportation to the United States of the merchandise undergoing appraisement, at which such or similar imported merchandise is freely sold or, in the absence of sales, offered for sale in the principal market of the United States for domestic consumption, packed ready for delivery, in the usual wholesale quantities and in the ordinary course of trade, with allowances made for—

- (1) any commission usually paid or agreed to be paid on merchandise secured otherwise than by purchase or agreement to purchase; or, on merchandise secured by purchase or agreement to purchase, the addition for profit and general expenses usually made by sellers in such market on imported merchandise of the same class or kind as the merchandise undergoing appraisement;
- (2) the usual costs of transportation and insurance and other usual expenses from the place of shipment to the place of delivery, not including any expense provided for in subdivision (1); and
- (3) the ordinary customs duties and other Federal taxes currently payable on such or similar merchandise by reason of its importation or Federal excise taxes on, or measured by the value of, such or similar merchandise, for which vendors at wholesale in the United States are ordinarily liable.

If such or similar merchandise was not so sold or offered at the time of exportation of the merchandise undergoing appraisement, the United States value shall be determined, subject to the foregoing specifications of this subsection, from the price at which such or similar merchandise is so sold or offered at the earliest date after such time of exportation but before the expiration of ninety days after the importation of the merchandise undergoing appraisement.

(d) *COMPARATIVE VALUE.*—The comparative value of imported merchandise shall be the equivalent of the export value as nearly as such equivalent may be determined by the appraiser on the basis of the export or United States value of other merchandise exported from the same country at the time the merchandise undergoing appraisement was exported which is comparable in construction and use with the merchandise undergoing appraisement, with appropriate adjustments for differences in size, material, construction, texture, or other differences.

(e) *CONSTRUCTED VALUE.*—The constructed value of imported merchandise shall be the sum of—

- (1) the cost of materials and of fabrication or other processing of any kind employed in producing such or similar merchandise, at a time preceding the date of exportation of the merchandise undergoing appraisement which would ordinarily permit the production of that particular merchandise in the ordinary course of business;
- (2) an addition for general expenses and profit equal to that which producers in the country of production whose products are exported to the United States usually add in sales for exportation to the United States, in the usual wholesale quantities and in the ordinary course of trade, of merchandise of the same general class or kind as the merchandise undergoing appraisement; and

(3) the cost of all containers and coverings of whatever nature, and all other expenses incidental to placing the merchandise undergoing appraisement in condition, packed ready for shipment to the United States.

(f) **AMERICAN SELLING PRICE.**—The American selling price of any article manufactured or produced in the United States shall be the price, including the cost of all containers and coverings of whatever nature and all other expenses incidental to placing the merchandise in condition packed ready for delivery, at which such article is freely sold or, in the absence of sales, offered for sale for domestic consumption in the principal market of the United States, in the ordinary course of trade and in the usual wholesale quantities, or the price that the manufacturer, producer, or owner would have received or was willing to receive for such merchandise when sold for domestic consumption in the ordinary course of trade and in the usual wholesale quantities, at the time of exportation of the imported article.

(g) **TAXES.**—The value of imported merchandise determined in accordance with this section shall not include the amount of any internal tax, applicable within the country of origin or exportation, from which the merchandise undergoing appraisement has been exempted or has been or will be relieved by means of refund.

(h) **DEFINITIONS.**—As used in this section, the following terms shall have the meanings respectively indicated:

(1) "Freely sold or, in the absence of sales, offered for sale"—sold or, in the absence of sales, offered to all purchasers at wholesale, or to one or more selected purchasers at wholesale at a price not less than that at which it would be sold to all purchasers at wholesale, without restrictions as to the disposition or use of the merchandise by the purchaser, except restrictions as to such disposition or use which (A) are imposed or required by law, or (B) limit the price at which or the territory in which the merchandise may be resold, or (C) do not substantially affect the value of the merchandise to usual purchasers at wholesale.

(2) "Ordinary course of trade"—the conditions and practices which, for a reasonable time prior to the exportation of the merchandise undergoing appraisement, have been normal in the trade under consideration with respect to merchandise of the same class or kind as the merchandise undergoing appraisement.

(3) "Purchasers at wholesale"—purchasers who buy in the usual wholesale quantities for industrial use or for resale otherwise than at retail; or, if there are no such purchasers, then all other purchasers for resale who buy in the usual wholesale quantities; or, if there are no purchasers in either of the foregoing categories, then all other purchasers who buy in the usual wholesale quantities.

(4) "Such or similar merchandise"—the merchandise undergoing appraisement shall be considered "such" merchandise; and other merchandise shall be considered "such" merchandise if—

(A) it is identical in physical characteristics and was produced in the same country by the same person; or

(B) when no value meeting the requirements of the definition of value under consideration can be determined under (A), the merchandise is identical in physical characteristics and was produced by another person in the same country.

Merchandise shall be considered "similar" to the merchandise undergoing appraisement if it is not within the foregoing definition of "such" merchandise but—

(C) it was produced in the same country as the merchandise undergoing appraisement, by the same person, of like materials, is used for the same purpose, and is of approximately equal commercial value; or

(D) when no value meeting the requirements of the definition of value under consideration can be determined under (C), the merchandise is correspondingly similar and was produced by another person in the same country.

(5) "Usual wholesale quantities"—the quantities usually sold in the class of transactions in which the greater aggregate quantity of the "such or similar merchandise", in respect of which value is being determined, is sold in the market under consideration.

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#### SEC. 431. MANIFEST—REQUIREMENT, FORM, AND CONTENTS.

(a) The master of every vessel arriving in the United States and required to make entry shall have on board his vessel a manifest in a form to be prescribed by the Secretary of the Treasury and signed by such master under oath as to the truth of the statements therein contained. Such manifest shall contain:



First. The names of the ports or places at which the merchandise was taken on board and the ports of entry of the United States for which the same is destined, particularly describing the merchandise destined to each such port: *Provided*, That the master of any vessel laden exclusively with coal, sugar, salt, nitrates, hides, dyewoods, wool, or other merchandise in bulk consigned to one owner and arriving at a port for orders, may destine such cargo "for orders", and within fifteen days thereafter, but before the unlading of any part of the cargo such manifest may be amended by the master by designating the port or ports of discharge of such cargo, and in the event of failure to amend the manifest within the time permitted such cargo must be discharged at the port at which the vessel arrived and entered.

Second. The name, description, and build of the vessel, the true measure or tonnage thereof, the port to which such vessel belongs, and the name of the master of such vessel.

Third. A detailed account of all merchandise on board such vessel, with the marks and numbers of each package, and the number and description of the packages according to their usual name or denomination, such as barrel, keg, hogshead, case, or bag.

Fourth. The names of the persons to whom such packages are respectively consigned in accordance with the bills of lading issued therefor, except that when such merchandise is consigned to order the manifest shall so state.

Fifth. The names of the several passengers aboard the vessel, stating whether cabin or steerage passengers, with their baggage, specifying the number and description of the pieces of baggage belonging to each, and a list of all baggage not accompanied by passengers.

Sixth. An account of the sea stores and ship's stores on board of the vessel.

(b) *Whenever a manifest of articles or persons on board an aircraft is required for customs purposes to be signed, or produced or delivered to a customs officer, the manifest may be signed, produced, or delivered by the pilot or person in charge of the aircraft, or by any other authorized agent of the owner or operator of the aircraft, subject to such regulations as the Secretary of the Treasury may prescribe. If any irregularity of omission or commission occurs in any way in respect of any such manifest, the owner or operator of the aircraft shall be liable for any fine or penalty prescribed by law in respect of such irregularity.*

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#### SEC. 439. DELIVERY OF MANIFEST.

Immediately upon arrival and before entering his vessel, the master of a vessel from a foreign port or place required to make entry shall mail or deliver to [the comptroller of customs for the district in which the port of entry is located] *such employee as the Secretary of the Treasury shall designate*, a copy of the manifest, and shall on entering his vessel make affidavit that a true and correct copy was so mailed or delivered, and he shall also mail or deliver to [said comptroller of customs] *such employee designated by the Secretary* a true and correct copy of any correction of such manifest filed on entry of his vessel. Any master who fails so to mail or deliver such copy of the manifest or correction thereof shall be liable to a penalty of not more than \$500.

#### SEC. 440. CORRECTION OF MANIFEST.

If there is any merchandise or baggage on board such vessel which is not included in or which does not agree with the manifest, the master of the vessel shall make a post entry thereof, and mail or deliver a copy to [the comptroller of customs for the district in which the port of entry is located] *such employee as the Secretary of the Treasury shall designate* and for failure so to do shall be liable to a penalty of \$500.

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#### SEC. 481. INVOICE—CONTENTS.

(a) **IN GENERAL.**—All invoices of merchandise to be imported into the United States shall set forth—

- (1) The port of entry to which the merchandise is destined;
- (2) The time when, the place where, and the person by whom and the person to whom the merchandise is sold or agreed to be sold, or if to be imported otherwise than in pursuance of a purchase, the place from which shipped, the time when and the person to whom and the person by whom it is shipped;
- (3) A detailed description of the merchandise, including the name by which each item is known, the grade or quality, and the marks, numbers, or



symbols under which sold by the seller or manufacturer to the trade in the country of exportation, together with the marks and numbers of the packages in which the merchandise is packed;

(4) The quantities in the weights and measures of the country or place from which the merchandise is shipped, or in the weights and measures of the United States;

(5) The purchase price of each item in the currency of the purchase, if the merchandise is shipped in pursuance of a purchase or an agreement to purchase;

(6) If the merchandise is shipped otherwise than in pursuance of a purchase or an agreement to purchase, the value for each item, in the currency in which the transactions are usually made, or, in the absence of such value, the price in such currency that the manufacturer, seller, shipper, or owner would have received, or was willing to receive, for such merchandise if sold in the ordinary course of trade and in the usual wholesale quantities in the country of exportation;

[(7) The kind of currency, whether gold, silver, or paper;]

[(8)] (7) All charges upon the merchandise, itemized by name and amount when known to the seller or shipper; or all charges by name (including commissions, insurance, freight, cases, containers, coverings, and cost of packing) included in the invoice prices when the amounts for such charges are unknown to the seller or shipper;

[(9)] (8) All rebates, drawbacks, and bounties, separately itemized, allowed upon the exportation of the merchandise; and

[(10)] (9) Any other facts deemed necessary to a proper appraisement, examination, and classification of the merchandise that the Secretary of the Treasury may require.

(b) SHIPMENTS NOT PURCHASED AND NOT SHIPPED BY MANUFACTURER.—If the merchandise is shipped to a person in the United States by a person other than the manufacturer, otherwise than by purchase, such person shall state on the invoice the time when, the place where, the person from whom such merchandise was purchased, and the price paid therefor in the currency of the purchase[, stating whether gold, silver, or paper].

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#### SEC. 482. CERTIFIED INVOICE.

(a) CERTIFICATION IN GENERAL.—Every invoice [covering merchandise exceeding \$100 in value] required pursuant to section 484 (b) of this Act to be certified shall, at or before the time of the shipment of the merchandise, or as soon thereafter as the conditions will permit, be produced for certification to the consular officer of the United States—

(1) For the consular district in which the merchandise was manufactured, or purchased, or from which it was to be delivered pursuant to contract;

(2) For the consular district in which the merchandise is assembled and repacked for shipment to the United States, if it has been purchased in different consular districts.

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#### SEC. 484. ENTRY OF MERCHANDISE.

(a) REQUIREMENT AND TIME.—Except as provided in sections 490, 498, 552, and 553 and in subdivision (j) of section 336 of this Act, and in subdivisions (h) and (i) of this section, the consignee of imported merchandise shall make entry therefor either in person or by an agent authorized by him in writing under such regulations as the Secretary of the Treasury may prescribe. Such entry shall be made at the customhouse within [forty-eight hours] five days, exclusive of Sundays and holidays, after the entry of the importing vessel or report of the vehicle, or after the arrival at the port of destination in the case of merchandise transported in bond, unless the collector authorizes in writing a longer time.

[(b) PRODUCTION OF CERTIFIED INVOICE.—No merchandise shall be admitted to entry under the provisions of this section without the production of a certified invoice therefor, except that entry may be permitted if—

[(1) The collector is satisfied that the failure to produce such invoice is due to causes beyond the control of the person making entry;

[(2) Such person makes a verified declaration in writing that he is unable to produce such invoice and (A) files therewith a seller's or shipper's invoice, or (B) if he is not in possession of a seller's or shipper's invoice files therewith

a statement of the value, or the price paid, in the form of an invoice; and

[(3) Such person gives a bond for the production of such certified invoice within six months.

[The Secretary of the Treasury may by regulations provide for such exceptions from the requirements of this subdivision as he deems advisable.]

(b) *PRODUCTION OF CERTIFIED INVOICE.*—*The Secretary of the Treasury shall provide by regulation for the production of a certified invoice with respect to such merchandise as he deems advisable and for the terms and conditions under which such merchandise may be permitted entry under the provisions of this section without the production of a certified invoice.*

\* \* \* \* \*

(f) *PACKAGES INCLUDED.*—If any of the certificates or documents necessary to make entry of any part of merchandise arriving on one vessel or vehicle and consigned to one consignee have not arrived, such part may be entered subsequently, and notation of the packages or cases to be omitted from the original entry shall be made thereon. One or more packages arriving on one vessel or vehicle addressed for delivery to one person and imported in another package containing packages addressed for delivery to other persons may be separately entered, under such rules and regulations as the Secretary of the Treasury may prescribe. All other merchandise arriving on one vessel or vehicle and consigned to one consignee shall be included in one entry, unless the Secretary of the Treasury shall authorize the inclusion of portions of such merchandise in separate entries under such rules and regulations as he may [prescribe.] *prescribe; except that, in the case of articles not subject to a quantitative or tariff-rate quota, entry for the entire quantity covered by an entry for immediate transportation made under section 552 of this Act may be accepted at the port of entry designated by the consignee, or his agent, in such entry after the arrival of any part of such quantity at such designated port or at such other place of deposit as may be authorized in accordance with regulations prescribed by the Secretary of the Treasury.*

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#### SEC. 486. ADMINISTRATION OF [OATHS.] OATHS—VERIFICATION OF DOCUMENTS.

(a) *CUSTOMS OFFICERS.*—The following officers and employees may administer any oaths required or authorized by law or regulations promulgated thereunder in respect of any matter coming before such officers or employees in the performance of their official duties: (1) Any customs officer appointed by the President; (2) the chief assistant of any such officer, or any officer or employee of the customs field service designated for the purpose by such officer or by the Secretary of the Treasury; and (3) any officer or employee of the Bureau of Customs designated for the purpose by the Secretary of the Treasury.

(b) *POSTMASTERS.*—The postmaster or assistant postmaster of the United States at any post office where customs officers are not stationed, is hereby authorized to administer any oaths required to be made to statements in customs documents by importers of merchandise not exceeding \$100 in value through the mails.

(c) *NO COMPENSATION.*—No compensation or fee shall be demanded or accepted for administering any oath under the provisions of this section.

(d) *VERIFICATION IN LIEU OF OATH.*—*The Secretary of the Treasury may by regulation prescribe that any document required by any law administered by the Customs Service to be under oath may be verified by a written declaration in such form as he shall prescribe, such declaration to be in lieu of the oath otherwise required.*

#### SEC. 487. VALUE IN ENTRY—AMENDMENT.

The consignee or his agent may, under such regulations as the Secretary of the Treasury may prescribe, at the time entry is made, [or at any time before the invoice or the merchandise has come under the observation of the appraiser for the purpose of appraisement,] make in the entry such additions to or deduction from the cost or value given in the invoice as, in his opinion, may raise or lower the same to the value of such merchandise.

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#### SEC. 489. ADDITIONAL DUTIES.

[If the final appraised value of any article of imported merchandise which is subject to an ad valorem rate of duty or to a duty based upon or regulated in any manner by the value thereof shall exceed the entered value, there shall be levied, collected, and paid, in addition to the duties imposed by law on such merchandise, an additional duty of 1 per centum of the total final appraised value thereof for each 1 per centum that such final appraised value exceeds the value declared in



the entry. Such additional duty shall apply only to the particular article or articles in each invoice that are so advanced in value upon final appraisement and shall not be imposed upon any article upon which the amount of duty imposed by law on account of the final appraised value does not exceed the amount of duty that would be imposed if the final appraised value did not exceed the entered value, and shall be limited to 75 per centum of the final appraised value of such article or articles. Such additional duties shall not be construed to be penal and shall not be remitted nor payment thereof in any way avoided, except in the case of a clerical error, upon the order of the Secretary of the Treasury, or in any case upon the finding of the United States Customs Court, upon a petition filed at any time after final appraisement and before the expiration of sixty days after liquidation and supported by satisfactory evidence under such rules as the court may prescribe, that the entry of the merchandise at a less value than that returned upon final appraisement was without any intention to defraud the revenue of the United States or to conceal or misrepresent the facts of the case or to deceive the appraiser as to the value of the merchandise. If the appraised value of any merchandise exceeds the value declared in the entry by more than 100 per centum, such entry shall be presumptively fraudulent, and the collector shall seize the whole case or package containing such merchandise and proceed as in case of forfeiture for violation of the customs laws; and in any legal proceeding other than a criminal prosecution that may result from such seizure, the under valuation as shown by the appraisal shall be presumptive evidence of fraud, and the burden of proof shall be on the claimant to rebut the same, and forfeiture shall be adjudged unless he rebuts such presumption of fraud by sufficient evidence.

【Upon the making of such order or finding, the additional duties shall be remitted or refunded, wholly or in part, and the entry shall be liquidated or reliquidated accordingly. Such additional duties shall not be refunded in case of exportation of the merchandise, nor shall they be subject to the benefit of drawback. All additional duties, penalties, or forfeitures applicable to merchandise entered in connection with a certified invoice shall be alike applicable to merchandise entered in connection with a seller's or shipper's invoice or statement in the form of an invoice.】

Furniture described in paragraph 1811 shall enter the United States at ports which shall be designated by the Secretary of the Treasury for this purpose. If any article described in paragraph 1811 and imported for sale is rejected as unauthentic in respect to the antiquity claimed as a basis for free entry, there shall be imposed, collected, and paid on such article, unless exported under customs supervision, a duty of 25 per centum of the value of such article in addition to any other duty imposed by law upon such article.

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#### SEC. 498. ENTRY UNDER REGULATIONS.

(a) AUTHORIZED FOR CERTAIN MERCHANDISE.—The Secretary of the Treasury is authorized to prescribe rules and regulations for the declaration and entry of—

【(1) Merchandise not exceeding \$100 in value, including such merchandise imported through the mails;】

(1) *Merchandise, imported in the mails or otherwise, when the aggregate value of the shipment does not exceed such amount, not greater than \$250, as the Secretary of the Treasury shall specify in the regulations, and the specified amount may vary for different classes or kinds of merchandise or different classes of transactions;*

(2) Merchandise damaged on the voyage of importation, by fire or through marine casualty or any other cause, without fault on the part of the shipper;

(3) Merchandise recovered from a wrecked or stranded vessel;

(4) Household effects used abroad and personal effects, not imported in pursuance of a purchase or agreement for purchase and not intended for sale;

(5) Articles sent by persons in foreign countries as gifts to persons in the United States;

(6) Articles carried on the person or contained in the baggage of a person arriving in the United States;

(7) Tools of trade of a person arriving in the United States;

(8) Personal effects of citizens of the United States who have died in a foreign country;

(9) Merchandise within the provisions of sections 465 and 466 of this Act (relating to supplies, repairs, and equipment on vessels and railway cars) at the first port of arrival;

(10) Merchandise when in the opinion of the Secretary of the Treasury the value thereof can not be declared; and



[(11) Merchandise within the provisions of the Act entitled "An Act to expedite the delivery of imported parcels and packages, not exceeding \$500 in value," approved June 8, 1896.]

(11) *Merchandise within the provisions of paragraph 1631 of this Act.*

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#### SEC. 501. NOTICE OF APPRAISEMENT; REAPPRAISEMENT.

The collector shall give written notice of appraisement to the consignee, his agent, or his attorney, if (1) the appraised value is higher than the entered value, or (2) a change in the classification of the merchandise results from the appraiser's determination of [value.] value, or (3) *in any case, if the consignee, his agent, or his attorney requests such notice in writing before appraisement, setting forth a substantial reason for requesting the notice.* The decision of the [appraiser shall] appraiser, including all determinations entering into the same, shall be final and conclusive upon all parties unless a written appeal for a reappraisement is filed with or mailed to the United States Customs Court by the collector within sixty days after the date of the appraiser's report, or filed by the consignee or his agent with the collector within thirty days after the date of personal delivery, or if mailed the date of mailing of written notice of appraisement to the consignee, his agent, or his attorney. [No such appeal filed by the consignee or his agent shall be deemed valid, unless he has complied with all the provisions of this Act relating to the entry and appraisement of such merchandise.] Every such appeal shall be transmitted with the entry and the accompanying papers by the collector to the United States Customs Court.

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#### SEC. 503. DUTIABLE VALUE.

(a) GENERAL RULE.—Except as provided in section 562 of this Act (relating to withdrawal from manipulating warehouses) [and in subdivision (b) of this section], the basis for the assessment of duties on imported merchandise subject to ad valorem rates of duty shall be [the entered value or] the final appraised value [ , whichever is higher].

[(b) ENTRIES PENDING REAPPRAISEMENT.—If the importer certifies at the time of entry that he has entered the merchandise at a value higher than the value as defined in this Act because of advances by the appraiser in similar cases then pending on appeal for reappraisement or re-appraisement, and if the importer's contention in such pending cases shall subsequently be sustained, wholly or in part, by a final decision on reappraisement or re-appraisement, and if it shall appear that such action of the importer on entry was taken in good faith, the collector shall liquidate the entry in accordance with the final appraisement.]

[(c)] (b) BASIS OF RATE.—For the purpose of determining the rate of duty to be assessed upon any merchandise when the rate is based upon or regulated in any manner by the value of the merchandise, the final appraised value shall (except as provided in section 562 of this Act) be taken to be the value of the merchandise.

\* \* \* \* \*

#### SEC. 508. COMMINGLING OF GOODS.

[Whenever dutiable merchandise and merchandise which is free of duty or merchandise subject to different rates of duty are so packed together or mingled that the quantity or value of each class of such merchandise cannot be readily ascertained by the customs officers, the whole of such merchandise shall be subject to the highest rate of duty applicable to any part thereof, unless the importer or consignee shall segregate such merchandise at his own risk and expense under customs supervision within ten days after entry thereof, in order that the quantity and value of each part or class thereof may be ascertained.]

(a) *Whenever dutiable merchandise and merchandise which is free of duty or merchandise subject to different rates of duty are so packed together or mingled that the quantity or value of each class of such merchandise cannot be readily ascertained by the customs officers (without physical segregation of the shipment or the contents of any entire package thereof), by one or more of the following means: (1) Examination of a representative sample, (2) occasional verification of packing lists or other documents filed at the time of entry, or (3) evidence showing performance of commercial settlement tests generally accepted in the trade and filed in such time and manner as may be prescribed by regulations of the Secretary of the Treasury, and if the consignee*

or his agent shall not segregate the merchandise pursuant to subsection (b), then the whole of such merchandise shall be subject to the highest rate of duty applicable to any part thereof.

(b) Every segregation of merchandise made pursuant to this section shall be accomplished by the consignee or his agent at the risk and expense of the consignee within thirty days after the date of personal delivery or mailing, by such employee as the Secretary of the Treasury shall designate, of written notice to the consignee that the merchandise is commingled, unless the Secretary authorizes in writing a longer time. Every such segregation shall be accomplished under customs supervision, and the compensation and expenses of the supervising customs officers shall be reimbursed to the Government by the consignee under such regulations as the Secretary of the Treasury may prescribe.

(c) The foregoing provisions of this section shall not apply with respect to any part of a shipment if the consignee or his agent shall furnish, in such time and manner as may be prescribed by regulations of the Secretary of the Treasury, satisfactory proof (1) that such part (A) is commercially negligible, (B) is not capable of segregation without excessive cost, and (C) will not be segregated prior to its use in a manufacturing process or otherwise, and (2) that the commingling was not intended to avoid the payment of lawful duties or any part thereof. Any merchandise with respect to which such proof is furnished shall be considered for all customs purposes as a part of the merchandise, subject to the next lower rate of duty (including a free rate), with which it is commingled.

(d) The foregoing provisions of this section shall not apply with respect to any shipment if the consignee or his agent shall furnish, in such time and manner as may be prescribed by regulations of the Secretary of the Treasury, satisfactory proof (1) that the value of the commingled merchandise is less than the aggregate value would be if the shipment were segregated; (2) that the shipment is not capable of segregation without excessive cost and will not be segregated prior to its use in a manufacturing process or otherwise; and (3) that the commingling was not intended to avoid the payment of lawful duties or any part thereof. Any merchandise with respect to which such proof is furnished shall be considered for all customs purposes to be dutiable at the rate (including a free rate) applicable to the material present in greater quantity than any other material.

#### SEC. 520. REFUNDS AND ERRORS.

(a) \* \* \*

\* \* \* \* \*

(c) Notwithstanding a valid protest was not filed, the Secretary of the Treasury may authorize a collector to reliquidate an entry to correct—

[(1) A clerical error in any entry or liquidation discovered within one year after the date of entry, or within sixty days after liquidation when liquidation is made more than ten months after the date of entry; or]

(1) a clerical error, mistake of fact, or other inadvertence not amounting to an error in the construction of a law, adverse to the importer and manifest from the record or established by documentary evidence, in any entry, liquidation, appraisement, or other customs transaction, when the error, mistake, or inadvertence is brought to the attention of the customs service within one year after the date of entry, appraisement, or transaction, or within sixty days after liquidation or exaction when the liquidation or exaction is made more than ten months after the date of the entry, appraisement, or transaction; or

(2) [Any] any assessment of duty on household or personal effects [which by law were not subject to duty and] in respect of which an application for refund has been [filed with the collector within] filed, with such employee as the Secretary of the Treasury shall designate, within one year after the date of entry.

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#### SEC. 522. CONVERSION OF CURRENCY.

[(a) VALUE OF FOREIGN COIN PROCLAIMED BY SECRETARY OF TREASURY.—Section 25 of the Act of August 27, 1894, entitled “An Act to reduce taxation, to provide revenue for the Government, and for other purposes,” as amended, is reenacted without change as follows:

["SEC. 25. That the value of foreign coin as expressed in the money of account of the United States shall be that of the pure metal of such coin of standard value; and the values of the standard coins in circulation of the various nations of the world shall be estimated quarterly by the Director of the Mint and be proclaimed by the Secretary of the Treasury quarterly on the 1st day of January, April, July, and October in each year.”]



[(b) PROCLAIMED VALUE BASIS OF CONVERSION.—For the purpose of the assessment and collection of duties upon merchandise imported into the United States on or after the date of enactment of this Act, wherever it is necessary to convert foreign currency into currency of the United States, such conversion, except as provided in subdivision (c), shall be made at the values proclaimed by the Secretary of the Treasury under the provisions of section 25 of such Act of August 27, 1894, as amended, for the quarter in which the merchandise was exported.]

[(c) MARKET RATE WHEN NO PROCLAMATION.—If no such value has been proclaimed, or if the value so proclaimed varies by 5 per centum or more from a value measured by the buying rate in the New York market at noon on the day of exportation, conversion shall be made at a value measured by such buying rate. If the date of exportation falls upon a Sunday or holiday, then the buying rate at noon on the last preceding business day shall be used. For the purposes of this subdivision such buying rate shall be the buying rate for cable transfers payable in the foreign currency so to be converted; and shall be determined by the Federal Reserve Bank of New York and certified daily to the Secretary of the Treasury, who shall make it public at such times and to such extent as he deems necessary. In ascertaining such buying rate such Federal Reserve bank may in its discretion (1) take into consideration the last ascertainable transactions and quotations, whether direct or through exchange of other currencies, and (2) if there is no market buying rate for such cable transfers, calculate such rate from actual transactions and quotations in demand or time bills of exchange.]

(a) *The Secretary of the Treasury shall keep current a published list, expressed in United States dollars, of the par values which he finds are maintained by foreign countries for their respective currencies. For the purposes of all provisions of the customs laws, whenever it is necessary to convert into an amount expressed in currency of the United States any amount expressed in a foreign currency for which such a par value was maintained for the date as of which the value or cost requiring conversion is to be determined, such conversion, except as specified in subsection (d), shall be made at such par value.*

(b) *If no such par value was so maintained for such date, the conversion shall be made at the buying rate for the foreign currency in the New York market at noon on the date as of which the value or cost requiring conversion is to be determined, or, if banks are generally closed on such date in New York City, then the buying rate at noon on the last preceding business day. For the purposes of this subsection, such buying rate shall be the buying rate for cable transfers payable in the foreign currency in which the amount to be converted is expressed, and shall be determined by the Federal Reserve Bank of New York and certified to the Secretary of the Treasury, who shall make it public at such times and to such extent as he shall deem necessary. In ascertaining such buying rate, such Federal Reserve bank may in its discretion (1) take into consideration the last ascertainable transactions and quotations, whether direct or through exchange of other currencies, and (2) if there is no market buying rate for such cable transfers, calculate such rate from actual transactions and quotations in demand or time bills of exchange or from the last ascertainable transactions and quotations outside the United States in or for exchange payable in United States currency or other currency.*

(c) *If, pursuant to subsection (b), the Federal Reserve Bank of New York certifies more than one rate of exchange for a particular foreign currency for any date the conversion for customs purposes of amounts expressed in that currency for that date shall be made by applying the applicable rate or rates so certified which reflect effectively the value of that foreign currency in commercial transactions.*

(d) *When there are one or more rates of exchange which vary by more than 5 per centum from the par value for any foreign currency listed pursuant to subsection (a), the list shall so indicate. In that event such additional rates of exchange may be certified in the manner set forth in subsection (b) and the par value and any certified rates shall be applied in the manner prescribed in subsection (c).*

#### **[SEC. 523. COMPTROLLERS OF CUSTOMS.]**

**[**Naval officers of customs in office on September 22, 1922, and their successors shall continue to be known as Comptrollers of Customs.

**[**Comptrollers of Customs shall examine the collector's accounts of receipts and disbursements of money and receipts and disposition of merchandise and certify the same to the Secretary of the Treasury for transmission to the General Accounting Office. They shall perform such other duties as the Secretary of the Treasury may from time to time prescribe, and their administrative examination shall extend to all customs districts assigned to them by the Secretary of the Treasury.



[Comptrollers of Customs shall verify all assessments of duties and allowances of drawbacks made by collectors in connection with the liquidation thereof. In cases of disagreement between a collector and a Comptroller of Customs, the latter shall report the facts to the Secretary of the Treasury for instructions.]

[This section shall not be construed to affect the manner of appointment, the terms of office, or the compensation of any such officer as now provided by law, nor to affect the provisions of the Budget and Accounting Act, 1921, approved June 10, 1921.]

[So much of sections 2626 and 4158 of the Revised Statutes, as amended, as requires the countersigning of documents by naval officers (now Comptrollers of Customs) or by surveyors, and so much of section 4332 of the Revised Statutes, as amended, as requires the signing of documents by naval officers (now Comptrollers of Customs), is hereby repealed.]

#### SEC. 523. EXAMINATION OF ACCOUNTS.

*The Secretary of the Treasury or such officer or employee as he shall designate, shall, under regulations and instructions prescribed by the Secretary—*

(1) *examine the collectors' accounts of receipts and disbursements of money and receipts and disposition of merchandise; and*

(2) *verify, to such extent as the Secretary of the Treasury shall direct, assessments of duties and taxes and allowances of drawback.*

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#### SEC. 557. ENTRY FOR WAREHOUSE—WAREHOUSE PERIOD—DRAWBACK.

(a) \* \* \*

[*(b)* The right to withdraw any merchandise entered in accordance with subsection (a) of this section for the purposes specified in such subsection may be transferred upon compliance with regulations prescribed by the Secretary of the Treasury. So long as any such transfer remains unrevoked the transferee shall have, with respect to the merchandise the subject of the transfer, all rights to file protests, and to the privileges provided for in this section and in sections 562 and 563 of this Act which would otherwise be possessed by the transferor. The transferee shall also have the right to receive all lawful refunds of moneys paid by him to the United States with respect to the merchandise and no revocation of any transfer shall deprive him of this right. Any such transfer may be made irrevocable by the filing of a bond of the transferee in such amount and with such conditions as the Secretary of the Treasury shall prescribe, including an obligation to pay all unpaid regular, increased, and additional duties, charges, and exactions on the merchandise the subject of the transfer. Upon the filing of such bond the transferor shall be relieved from liability for the payment of duties, charges, and exactions on the merchandise the subject of the transfer, but shall remain bound by all other unsatisfied conditions of his bond.]

*(b)* The right to withdraw any merchandise entered in accordance with subsection (a) of this section for the purposes specified in such subsection may be transferred upon compliance with regulations prescribed by the Secretary of the Treasury and upon the filing by the transferee of a bond in such amount and containing such conditions as the Secretary of the Treasury shall prescribe. The bond shall include an obligation to pay, with respect to the merchandise the subject of the transfer, all unpaid regular, increased, and additional duties, all unpaid taxes imposed upon or by reason of importation, and all unpaid charges and exactions. Such transfers shall be irrevocable, shall relieve the transferor from all customs liability with respect to obligations assumed by the transferee under the bond herein provided for, and shall confer upon the transferee all rights to the privileges provided for in this section and in sections 562 and 563 of this Act which were vested in the transferor prior to the transfer. The transferee shall also have the right to receive all lawful refunds of moneys paid by him to the United States with respect to the merchandise the subject of the transfer, but shall have no right to file any protest under section 514 of this Act except as to decisions with respect to his rights under subsection (c) of this section or under section 562 or 563 of this Act or against a decision as to the rate or amount of duty, tax, charge, or exaction when such rate or amount has been changed by statute or proclamation on or after the date of the transfer. The transferee shall have no right to file an appeal for reappraisement under section 501 of this Act, except when subsequent to the transfer and before a withdrawal for consumption has been deposited for the merchandise, it has been changed in condition pursuant to the provisions of section 562 or 311 of this Act in a manner which necessitates that it be appraised in its changed condition in order that the correct amount of duties may be assessed. No new or separate liquidation, reliquidation, or determination shall be made in the name of, or on behalf of, a transferee, except with regard to any matter

*which may arise under subsection (c) of this section or section 562 or 563 of this Act when the transferee has invoked either of these sections, and in the case of a statutory or proclaimed change in the rate of duty, tax, charge, or exaction applicable to the merchandise the subject of the transfer and effective on or after the date of the transfer. A transferee may further transfer the right to withdraw merchandise, subject to the provisions of this subsection relating to original transfers.*

\* \* \* \* \*

#### SEC. 562. MANIPULATION IN WAREHOUSE.

Unless by special authority of the Secretary of the Treasury, no merchandise shall be withdrawn from bonded warehouse in less quantity than an entire bale, cask, box, or other package; or, if in bulk, in the entire quantity imported or in a quantity not less than one ton weight. All merchandise so withdrawn shall be withdrawn in the original packages in which imported unless, upon the application of the importer, it appears to the collector that it is necessary to the safety or preservation of the merchandise to repack or transfer the same: *Provided*, That upon permission therefor being granted by the Secretary of the Treasury, and under customs supervision, at the expense of the proprietor, merchandise may be cleaned, sorted, repacked, or otherwise changed in condition, but not manufactured, in bonded warehouses established for that purpose and be withdrawn therefrom for exportation to a foreign country or for shipment to the Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, or the island of Guam, without payment of the duties, or for consumption, upon payment of the duties accruing thereon, in its condition and quantity, and at its weight, at the time of withdrawal from warehouse, with such additions to or reductions from the final appraised value as may be necessary by reason of change in condition. The basis for the assessment of duties on such merchandise so withdrawn for consumption shall be [the entered value or] the adjusted final appraised value, [whichever is higher,] and if the rate of duty is based upon or regulated in any manner by the value of the [merchandise such] *merchandise, such* rate shall be based upon or regulated by such adjusted final appraised value[; but for the purpose of the ascertainment and assessment of additional duties under section 489 of this Act adjustments of the final appraised value shall be disregarded]. The scouring or carbonizing of wool shall not be considered a process of manufacture within the provisions of this section. Under such regulations as the Secretary of the Treasury shall prescribe, imported merchandise which has been entered and which has remained in continuous customs custody may be manipulated in accordance with the provisions of this section under customs supervision and at the risk and expense of the consignee, but elsewhere than in a bonded warehouse, in cases where neither the protection of the revenue nor the proper conduct of customs business requires that such manipulation be done in a bonded warehouse.

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#### SEC. 646. CUSTOMS SUPERVISION.

*Wherever in this Act any action or thing is required to be done or maintained under the supervision of customs officers, such supervision may be direct and continuous or by occasional verification as may be required by regulations of the Secretary of the Treasury, or, in the absence of such regulations for a particular case, as the principal customs officer concerned shall direct.*

### REVISED STATUTES OF THE UNITED STATES

[SEC. 2621. At each of the ports for which there are a collector, comptroller, and surveyor, it shall be the duty of the collector:

[First. To receive all reports, manifests, and documents to be made or exhibited on the entry of any ship or vessel, according to the regulations of this title.

[Second. To record, in books to be kept for that purpose, all manifests.

[Third. To receive the entries of all ships or vessels, and of the goods, wares, and merchandise imported in them.

[Fourth. To estimate, together with the comptroller where there is one, or alone where there is none, the amount of the dues payable thereupon, indorsing such amount upon the respective entries.

[Fifth. To receive all moneys paid for duties, and take all bonds for securing the payment thereof.

[Sixth. To grant all permits for the unloading and delivery of goods.



[Seventh. To provide, with the approval of the Secretary of the Treasury, at the public expense, storehouses for the safekeeping of goods, and such scales, weights, and measures as may be necessary.]

[SEC. 2622. At ports at which there are a collector and surveyor only, the collector shall solely execute all the duties in which the cooperation of the comptroller is requisite at the ports where there is a comptroller. And he shall act in like manner in case of the disability or death of the comptroller, until a successor is appointed, unless there is a deputy duly authorized, who in that case shall continue to act until an appointment is made.]

[SEC. 2623. At ports at which there is a collector only, the collector shall solely execute all the duties in which the cooperation of the comptroller is requisite, at ports where a comptroller is appointed, and he shall also, as far as may be, perform all the duties prescribed for surveyors at ports where surveyors are authorized.]

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[SEC. 2626. At ports at which there are a collector, comptroller, and surveyor, it shall be the duty of the comptroller—

[First. To receive copies of all manifests and entries.

[Second. To estimate, together with the collector, the duties on all merchandise subject to duty, and no duties shall be received without such estimates.

[Third. To keep a separate record of such estimates.

[Fifth. To examine the collector's abstracts of duties and other accounts of receipts, bonds, and expenditures, and certify the same if found right.]

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[SEC. 2639. Every collector, comptroller, and surveyor shall keep accurate accounts of all moneys received by him, and of all expenditures, specifying expenditures for rent, fuel, stationery, and clerk hire, and shall annually, within ten days after the 30th day of June, transmit the same, verified by oath, to the General Accounting Office. Every collector, comptroller, or surveyor who omits or neglects to keep such account, or to transmit the same so verified, shall be liable to a penalty of not more than \$500. The Secretary of the Treasury shall make appropriate rules and regulations for carrying out the provisions of this section.]

[SEC. 2640. Collectors, comptrollers, and surveyors shall attend in person at the ports at which their duties are to be performed; and shall keep fair and true accounts and records of all their transactions, as officers of the customs, in such manner and form as may from time to time be directed by the Secretary of the Treasury; and shall at all times submit their books, papers, and accounts to the inspection of such persons as may be appointed for that purpose; and shall once in every month, or oftener if they shall be required, transmit their accounts for settlement to the officer or officers whose duty it shall be to make such settlement. And if any collector, comptroller, or surveyor shall omit to keep fair and true accounts, or shall refuse to submit forthwith his books, papers and accounts to inspection as required by law, or if any collector shall omit or refuse to render his accounts for settlement, for a term exceeding three months after the same shall have been required by the proper officer, the delinquent officer shall be liable to a penalty of \$1,000 to be recovered with costs of suit.]

[SEC. 2641. Every collector, comptroller, and surveyor shall account to the Treasury for all the expenses incident to his office. Such accounts shall be rendered on oath, at such times and in such forms, and shall be supported by such proofs, as shall be prescribed by the Secretary of the Treasury.]

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[SEC. 2643. Every collector, comptroller, and surveyor shall, together with his accounts of the expenses incident to his office, render a list of the clerks employed by him, stating the rate of compensation allowed to each, and the duties which they severally perform; and also an account of the sums paid for stationery, official or contingent expenses, fuel, and office rent, stating the purposes for which the premises rented are applied.]

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[SEC. 2885. The officers of inspection of any port where distilled spirits or wines shall be landed, shall, upon the landing thereof, and as soon as the casks, vessels, and cases containing the same shall be inspected, gauged, or measured, brand or otherwise mark in durable characters, the several casks, vessels, and cases containing the same, and the marks shall express the number of casks,



vessels, or cases, whether of spirits or wines, marked by each officer respectively, in each year, in progressive numbers for each of the articles; also the port of importation, the name of the vessel, and the surname of the master; also each kind of spirits or wines, for which different rates of duty are or shall be imposed, the number of gallons in each cask or case, and the rate of proof if spirits; also the name of the surveyor or chief officer of inspection for the port, and the date of importation; of all which particulars the chief officers of inspections shall keep fair and correct accounts, in books to be provided for that purpose.】

【SEC. 2886. On the sale of any cask, vessel, or case, which has been or shall be marked as containing distilled spirits or wines, and which has been emptied of its contents, and prior to the delivery thereof to the purchaser, or any removal thereof, the marks and numbers, which shall have been set thereon by or under the direction of any officer of inspection, shall be defaced and obliterated in the presence of some officer of inspection or of the customs, who shall, on due notice being given, attend for that purpose, at which time the certificate which ought to accompany such chest, vessel, or case, shall also be returned and canceled. Every person who shall obliterate, counterfeit, alter, or deface any mark or number placed by an officer of inspection upon any cask, vessel, or case, containing distilled spirits or wines, or any certificate thereof; or who shall sell or in any way alienate or remove any cask, vessel, or case, which has been emptied of its contents, before the marks and numbers, set thereon pursuant to the provisions of the preceding section, shall have been defaced or obliterated, in presence of an officer of inspection; or who shall neglect or refuse to deliver the certificate issued to accompany the cask, chest, vessel, or case, of which the marks and numbers shall have been defaced or obliterated in manner aforesaid, on being thereto required by an officer of inspection or of the customs, shall for every such offense be liable to a penalty of \$100, with costs of suit.】

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【SEC. 2934. All medicinal preparations, whether chemical or otherwise, usually imported with the name of the manufacturer, shall have the true name of the manufacturer and the place where they are prepared, permanently and legibly affixed to each parcel by stamp, label, or otherwise; and all medicinal preparations imported without such names so affixed shall be adjudged to be forfeited.】

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SEC. 3115. If the owner or master of such vessel furnishes good and sufficient evidence—

(1) That such vessel, while in the regular course of her voyage, was compelled, by stress of weather or other casualty, to put into such foreign port and purchase such equipments, or make such repairs, to secure the safety and seaworthiness of the vessel to enable her to reach her port of destination; or

(2) That such equipments or parts thereof or repair parts or materials, were manufactured or produced in the United States, and the labor necessary to install such equipments or to make such repairs was performed by residents of the United States, or by members of the regular crew of such [vessel.] vessel; or

(3) That such equipments, or parts thereof, or materials, or labor, were used as dunnage for cargo, or for the packing or shoring thereof, or in the erection of bulkheads or other similar devices for the control of bulk cargo, or in the preparation of tanks for the carriage of liquid cargo;

then the Secretary of the Treasury is authorized to remit or refund such duties, and such vessel shall not be liable to forfeiture, and no license or enrollment and license, or renewal of either, shall hereafter be issued to any such vessel until the collector to whom application is made for the same shall be satisfied, from the oath of the owner or master, that all such equipments or parts thereof or materials and repairs made within the year immediately preceding such application have been duly accounted for under the provisions of this and the preceding sections, and the duties accruing thereon duly paid; and if such owner or master shall refuse to take such oath, or take it falsely, the vessel shall be seized and forfeited.

## ACT OF JUNE 8, 1896

(19 U. S. C., SECS. 472-475)

## [AN ACT

[To expedite the delivery of imported parcels and packages not exceeding five hundred dollars in value.

[*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That articles, not merchandise intended for sale, not exceeding five hundred dollars in value, imported in packages not exceeding one hundred pounds in weight, in vessels of the United States, may be specially delivered to and appraised at the public stores, and the entry thereof liquidated by the collector under such regulations as the Secretary of the Treasury may prescribe, and after such appraisement and liquidation may be delivered, upon payment of the liquidated duties under the bond provided for in this Act, to express companies or other duly incorporated inland carriers bonded for the transportation of appraised or unappraised merchandise between the several ports in the United States: *Provided,* That not more than one such consignment to one ultimate consignee from the same consignor shall be imported in any one vessel: *And provided,* That the original appraisement of and liquidation of duties on such importations shall be final against the owner, importer, agent, or consignee, except in the case of manifest clerical errors, as provided for in section 24 of the Act of June tenth, eighteen hundred and ninety: *Provided,* That nothing contained in this Act shall apply to explosives, or any article the importation of which is prohibited by law.

[SEC. 2. That such express companies or other inland carriers shall be responsible to the United States under bond for the safe delivery of such articles to the ultimate consignee: *Provided,* That if any package shall not be delivered to the ultimate consignee by the express company or other inland carrier, and shall be returned to the collector of the port where such articles are entered under the provisions of this Act within ninety days from the date of importation intact, the collector shall take charge of such package and dispose of it as unclaimed merchandise, and the duties, including additional duties, if any, under section seven of the Act of June tenth, eighteen hundred and ninety, paid shall be refunded by the Secretary of the Treasury out of any moneys in the Treasury not otherwise appropriated; and the express company or other inland carriers shall be relieved of any liability therefor under its bond; and before any express company or other inland carrier shall be permitted to receive and transport any such articles they shall become bound to the United States in such bonds, in such form and amount, and with such conditions not inconsistent with law as the Secretary of the Treasury may require.

[SEC. 3. That articles transported under the provisions of this Act shall be corded and sealed in such manner as shall from time to time be prescribed by the Secretary of the Treasury; and the collector of the port of first arrival shall retain in his office a permanent record of such merchandise so forwarded.

[SEC. 4. That such packages may be consigned to and entered by the agents of the express company or other inland carrier or steamship company, who shall at the time of entry state the ultimate consignee, and in all cases where a certified or other invoice is now required by law such invoice may be attached to or inclosed in the package, under such regulations as the Secretary of the Treasury may prescribe; and the delivery of such articles to the express company or other inland carrier shall not be delayed because of the nonarrival of the triplicate invoice, but the ultimate consignee shall be liable for any increased duty found due on reliquidation, if any, after receipt of said merchandise from the express company or other inland carrier or steamship company making entry under this Act; and the provisions of section twenty-eight hundred and fifty-seven, Revised Statutes, shall not apply to importations under this Act.]

## ACT OF JULY 12, 1932

[[PUBLIC RESOLUTION—No. 37—72<sup>D</sup> CONGRESS]

[[H. J. Res. 336]

## [JOINT RESOLUTION

[Construing section 503 (b) of the Tariff Act of 1930.

**[Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,** That it was and is the true intent and meaning of section 503 (b) of the Act entitled "An Act to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, to protect American labor, and for other purposes," approved June 17, 1930, and of the concluding provision of section 489 of the Act entitled "An Act to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes," approved September 21, 1922, that imported merchandise entered in accordance with the provisions of said section 503 (b) and the concluding provision of said section 489 shall be appraised and reappraised in the same manner as though the merchandise was not so entered; that the appraisement and reappraisement of such merchandise shall have the same force and effect as in the case of merchandise not so entered; and that entries covered by certification of the importer as provided in said section 503 (b) and the concluding provision of said section 489 shall be liquidated in accordance with the final appraised value of the merchandise covered by such certificates.]

**SECTION 25 OF THE ACT OF AUGUST 27, 1894, AS AMENDED AND REENACTED**

(31 U. S. C., sec. 372)

**[SEC. 25.** That the value of foreign coin as expressed in the money of account of the United States shall be that of the pure metal of such coin of standard value; and the values of the standard coins in circulation of the various nations of the world shall be estimated quarterly by the Director of the Mint and be proclaimed by the Secretary of the Treasury quarterly on the 1st day of January, April, July, and October in each year.]





83<sup>D</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 5877

[Report No. 760]

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 22, 1953

Mr. JENKINS introduced the following bill; which was referred to the Committee on Ways and Means

JULY 9, 1953

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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## A BILL

To amend certain administrative provisions of the Tariff Act of 1930 and related laws, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled*

3 SHORT TITLE AND EFFECTIVE DATE

4 SECTION 1. This Act may be cited as the "Customs  
5 Simplification Act of 1953" and shall be effective, except as  
6 otherwise specially provided for, on and after the thirtieth  
7 day following the date of its enactment.

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## 1 REPEAL OF OBSOLETE ACCOUNTING PROVISIONS

2 SEC. 2. (a) The following sections of the Revised  
 3 Statutes (relating to obsolete functions of customs officers  
 4 and functions of such officers now provided for by other laws)  
 5 are hereby repealed:

6 Revised Statutes 2621, as amended (U. S. C., 1946  
 7 edition, title 19, sec. 33).

8 Revised Statutes 2622, as amended (U. S. C., 1946  
 9 edition, title 19, sec. 34).

10 Revised Statutes 2623, as amended (U. S. C., 1946  
 11 edition, title 19, sec. 35).

12 Revised Statutes 2626, as amended (U. S. C., 1946  
 13 edition, title 19, sec. 39).

1 Revised Statutes 2639, as amended (U. S. C., 1946  
2 edition, title 19, sec. 42) .

3 Revised Statutes 2640, as amended (U. S. C., 1946  
4 edition, title 19, sec. 43) .

5 Revised Statutes 2641, as amended (U. S. C., 1946  
6 edition, title 19, sec. 44) .

7 Revised Statutes 2643, as amended (U. S. C., 1946  
8 edition, title 19, sec. 45) .

9 (b) Section 439 of the Tariff Act of 1930 (U. S. C.,  
10 1946 edition, title 19, sec. 1439) is amended by deleting  
11 “the comptroller of customs for the district in which the port  
12 of entry is located” and substituting therefor “such employee  
13 as the Secretary of the Treasury shall designate”, and by  
14 deleting “said comptroller of customs” and substituting there-  
15 for “such employee designated by the Secretary”.

16 (c) Section 440 of the Tariff Act of 1930 (U. S. C.,  
17 1946 edition, title 19, sec. 1440) is amended by deleting  
18 “the comptroller of customs for the district in which the  
19 port of entry is located” and substituting therefor “such  
20 employee as the Secretary of the Treasury shall designate”.

21 (d) Section 523 of the Tariff Act of 1930 (U. S. C.,  
22 1946 edition, title 19, sec. 1523) is amended to read as  
23 **follows:**



1   **“SEC. 523. EXAMINATION OF ACCOUNTS.**

2       “The Secretary of the Treasury or such officer or em-  
3   ployee as he shall designate, shall, under regulations and  
4   instructions prescribed by the Secretary—

5       “(1) examine the collectors’ accounts of receipts  
6       and disbursements of money and receipts and disposition  
7       of merchandise; and

8       “(2) verify, to such extent as the Secretary of  
9       the Treasury shall direct, assessments of duties and taxes  
10      and allowances of drawback.”

11                   **EFFECTIVE DATES OF RATES OF DUTY**

12      **SEC. 3.** (a) Section 315 of the Tariff Act of 1930, as  
13   amended (U. S. C., 1946 edition, title 19, sec. 1315), is  
14   further amended to read as follows:

15   **“SEC. 315. EFFECTIVE DATES OF RATES OF DUTY.**

16       “(a) Except as otherwise specially provided for, the  
17   rate or rates of duty imposed by or pursuant to this Act or  
18   any other law on any article entered for consumption or  
19   withdrawn from warehouse for consumption shall be the  
20   rate or rates in effect when the documents comprising the  
21   entry for consumption or withdrawal from warehouse for  
22   consumption and any estimated or liquidated duties then  
23   required to be paid have been deposited with the appropriate  
24   customs officer in the form and manner prescribed by regula-  
25   tions of the Secretary of the Treasury, except that—

1           “(1) any article released under an informal mail  
2 entry shall be subject to duty at the rate or rates in  
3 effect when the preparation of the entry is completed;  
4 and

5           “(2) any article which is not subject to a quanti-  
6 tative or tariff-rate quota and which is covered by an  
7 entry for immediate transportation made at the port of  
8 original importation under section 552 of this Act, if  
9 entered for consumption at the port designated by the  
10 consignee, or his agent, in such transportation entry with-  
11 out having been taken into the custody of the collector  
12 under section 490 of this Act, shall be subject to the  
13 rate or rates in effect when the transportation entry was  
14 accepted at the port of original importation.

15          “(b) Any article which has been entered for consump-  
16 tion but which, before release from customs custody, is re-  
17 moved from the port or other place of intended release  
18 because of inaccessibility, overcarriage, strike, act of God,  
19 or unforeseen contingency, shall be subject to duty at the  
20 rate or rates in effect when the entry for consumption and  
21 any required duties were deposited in accordance with sub-  
22 section (a) of this section, but only if the article is returned  
23 to such port or place within ninety days after the date of re-  
24 moval and the identity of the article as that covered by the

1 entry is established in accordance with regulations pre-  
2 scribed by the Secretary of the Treasury.

3 “(c) Insofar as duties are based upon the quantity of  
4 any merchandise, such duties shall, except as provided in  
5 paragraph 813 and section 562 of this Act (relating re-  
6 spectively to certain beverages and to manipulating ware-  
7 houses), be levied and collected upon the quantity of such  
8 merchandise at the time of its importation.

9 “(d) No administrative ruling resulting in the im-  
10 position of a higher rate of duty or charge than the Secretary  
11 of the Treasury shall find to have been applicable to imported  
12 merchandise under an established and uniform practice shall  
13 be effective with respect to articles entered for consumption  
14 or withdrawn from warehouse for consumption prior to the  
15 expiration of thirty days after the date of publication in  
16 the weekly Treasury Decisions of notice of such ruling; but  
17 this provision shall not apply with respect to the imposition  
18 of antidumping duties.”

19 (b) Section 484 (f) of the Tariff Act of 1930, as  
20 amended (U. S. C., 1946 edition, title 19, sec. 1484 (f)),  
21 is further amended by changing the period at the end to a  
22 semicolon and adding “except that, in the case of articles  
23 not subject to a quantitative or tariff-rate quota, entry for  
24 the entire quantity covered by an entry for immediate trans-  
25 portation made under section 552 of this Act may be accepted



1 at the port of entry designated by the consignee, or his agent,  
2 in such entry after the arrival of any part of such quantity at  
3 such designated port or at such other place of deposit as  
4 may be authorized in accordance with regulations prescribed  
5 by the Secretary of the Treasury.”

#### 6 MARKING

7 SEC. 4. (a) Paragraphs 28, 354, 355, 357, 358, 359,  
8 360, 361, and 1553 of the Tariff Act of 1930 (U. S. C.,  
9 1946 edition, title 19, sec. 1001, pars. 28, 354, 355, 357,  
10 358, 359, 360, 361, and 1553) are amended as follows:

11 Paragraph 28 is amended by deleting from subparagraph  
12 (f) “the immediate container and”.

13 Paragraph 354 is amended by deleting the second  
14 proviso.

15 Paragraphs 355, 357, 358, 359, 360, and 361 are  
16 amended by deleting the provisos.

17 Paragraph 1553 is amended by deleting both provisos.

18 (b) The following sections of the Revised Statutes are  
19 repealed:

20 Revised Statutes 2934 (U. S. C., 1946 edition, title 19,  
21 sec. 134).

22 Revised Statutes 2885 (U. S. C., 1946 edition, title 19,  
23 sec. 273).

24 Revised Statutes 2886 (U. S. C., 1946 edition, title 19,  
25 sec. 274).

1 (c) Section 304 (a) (3) of the Tariff Act of 1930, as  
 2 amended (U. S. C., 1946 edition, title 19, sec. 1304 (a)  
 3 (3) ), is further amended by deleting "or" at the end of  
 4 subdivision (I) ; by changing the period at the end of sub-  
 5 division (J) to a semicolon and by adding "or"; and by  
 6 adding a new subdivision (K) as follows:

7 " (K) Such article cannot be marked after im-  
 8 portation except at an expense which is economically  
 9 prohibitive, and the failure to mark the article be-  
 10 fore importation was not due to any purpose of the  
 11 importer, producer, seller, or shipper to avoid com-  
 12 pliance with this section."

13 TRANSPORTATION OF LEAD-BEARING AND  
 14 ZINC-BEARING ORES

15 SEC. 5. (a) Paragraph 391 of the Tariff Act of 1930, as  
 16 amended (U. S. C., 1946 edition, title 19, sec. 1001, par.  
 17 391), is further amended by changing the colon at the end  
 18 of the first proviso to a period; and by amending the rest  
 19 of the paragraph to read as follows: "The Secretary of the  
 20 Treasury is authorized to make all necessary regulations to  
 21 enforce the provisions of this paragraph."

22 (b) Paragraph 393 of the Tariff Act of 1930, as  
 23 amended (U. S. C., 1946 edition, title 19, sec. 1001, par.  
 24 393), is further amended by changing the colon at the end  
 25 of the first proviso to a period; and by amending the rest of

1 the paragraph to read as follows: "The Secretary of the  
2 Treasury is authorized to make all necessary regulations to  
3 enforce the provisions of this paragraph."

#### 4 REPEAL OF CERTAIN OBSOLETE RECIPROCAL PROVISIONS

5 SEC. 6. (a) Paragraph 812 of the Tariff Act of 1930  
6 (U. S. C., 1946 edition, title 19, sec. 1001, par. 812) is  
7 amended by deleting the proviso (relating to the importation  
8 of spirits in certain containers).

9 (b) Section 320 of the Tariff Act of 1930 (U. S. C.,  
10 1946 edition, title 19, sec. 1320), relating to reciprocal  
11 agreements covering advertising matter, is repealed.

#### 12 AMERICAN GOODS RETURNED

13 SEC. 7. Paragraph 1615 (f) of the Tariff Act of 1930,  
14 as amended (U. S. C., 1946 edition, title 19, sec. 1201,  
15 par. 1615 (f)), is further amended by adding at the end  
16 thereof the following new sentences: "When because of the  
17 destruction of customs records or for other cause it is im-  
18 practicable to establish whether drawback was allowed, or  
19 to determine the amount of drawback allowed, on a reim-  
20 ported article excepted under subparagraph (e), there shall  
21 be assessed thereon an amount of duty equal to the estimated  
22 drawback and internal-revenue tax which would be allowable  
23 or refundable if the imported merchandise used in the manu-  
24 facture or production of the reimported article were dutiable



1 or taxable at the rate applicable to such merchandise on the  
2 date of importation, but in no case more than the duty and  
3 tax that would apply if the article were originally imported.  
4 In order to facilitate the ascertainment and collection of the  
5 duty provided for in this subparagraph, the Secretary of the  
6 Treasury is authorized to ascertain and specify the amounts  
7 of duty equal to drawback or internal-revenue tax which  
8 shall be applied to articles or classes or kinds of articles, and  
9 to exempt from the assessment of duty articles or classes or  
10 kinds of articles excepted under subparagraph (e) with  
11 respect to which the collection of such duty involves expense  
12 and inconvenience to the Government which is disproportion-  
13 ate to the probable amount of such duty.”

14 FREE ENTRY PROVISIONS FOR TRAVELERS

15 SEC. 8. Paragraph 1798 of the Tariff Act of 1930, as  
16 amended (U. S. C., 1946 edition, title 19, sec. 1201, par.  
17 1798), is further amended to read as follows:

18 “PAR. 1798. (a) Professional books, implements, in-  
19 struments, and tools of trade, occupation, or employment,  
20 when imported by or for the account of any person arriving  
21 in the United States by whom or for whose account they  
22 were taken abroad.

23 “(b) In the case of any person arriving in the United  
24 States who is not a returning resident thereof—

25 “(1) wearing apparel, articles of personal adorn-

1       ment, toilet articles, and similar personal effects; all the  
2       foregoing, if actually owned by and in the possession of  
3       such person abroad at the time of or prior to his de-  
4       parture for the United States, and if appropriate for his  
5       own personal use and intended only for such use and  
6       not for any other person nor for sale;

7       “(2) automobiles, trailers, aircraft, motorcycles,  
8       bicycles, baby carriages, boats, horse-drawn convey-  
9       ances, horses, and similar means of transportation, and  
10      the usual equipment accompanying the foregoing; any  
11      of the foregoing imported in connection with the ar-  
12      rival of such person and to be used in the United States  
13      only for the transportation of such person, his family  
14      and guests, and such incidental carriage of articles as  
15      may be appropriate to his personal use of the convey-  
16      ance; and

17      “(3) not exceeding \$200 in value of articles ac-  
18      companying such a person who is in transit to a place  
19      outside United States customs territory and who will  
20      take the articles with him to such place.

21      “(c) In the case of any person arriving in the United  
22      States who is a returning resident thereof—

23      “(1) all personal and household effects taken abroad  
24      by him or for his account and brought back by him or  
25      for his account; and

1           “(2) articles (including not more than one wine  
2           gallon of alcoholic beverages and not more than one  
3           hundred cigars) acquired abroad as an incident of the  
4           journey from which he is returning, for his personal  
5           or household use, but not imported for the account of  
6           any other person nor intended for sale, if declared in  
7           accordance with regulations of the Secretary of the  
8           Treasury, up to but not exceeding in aggregate value—

9           “(A) \$200, if such person arrives from a con-  
10           tiguous country which maintains a free zone or free  
11           port (see subparagraph (d) ), or arrives from any  
12           other country after having remained beyond the  
13           territorial limits of the United States for a period  
14           of not less than forty-eight hours, and in either case  
15           has not claimed an exemption under this subdivision  
16           (A) within the thirty days immediately preceding  
17           his arrival; and

18           “(B) \$300 in addition, if such person has re-  
19           mained beyond the territorial limits of the United  
20           States for a period of not less than twelve days and  
21           has not claimed an exemption under this subdivision  
22           (B) within the six months immediately preceding  
23           his arrival.

24           “(d) In the case of persons arriving from a contiguous  
25           country which maintains a free zone or free port, if the



1 Secretary of the Treasury deems it necessary in the public  
2 interest and to facilitate enforcement of the requirement that  
3 the exemption shall apply only to articles acquired as an  
4 incident of the foreign journey, he shall prescribe by  
5 regulation or instruction, the application of which may be  
6 restricted to one or more ports of entry, that the exemption  
7 authorized by subdivision (2) (A) of subparagraph (c)  
8 shall be allowed only to residents who have remained be-  
9 yond the territorial limits of the United States for not less  
10 than a specified period, not to exceed twenty-four hours,  
11 and after the expiration of ninety days after the date of such  
12 regulation or instruction allowance of the said exemption  
13 shall be subject to the limitations so prescribed.

14 “(e) Any article imported to replace a like article of  
15 comparable value previously exempted from duty under sub-  
16 division (c) of this paragraph shall be allowed free entry  
17 if the article previously exempted shall have been exported,  
18 under such supervision as the Secretary may prescribe, within  
19 sixty days after its importation because it was found by the  
20 importer to be unsatisfactory.

21 “(f) All articles exempted by this paragraph from the  
22 payment of duty shall be exempt also from the payment of  
23 any internal-revenue tax imposed upon or by reason of  
24 importation.

25 “(g) If any jewelry or similar articles of personal

1 adornment having a value of \$300 or more which have been  
2 exempted from duty under subdivision (1) of subparagraph  
3 (b) or any article which has been exempted from duty  
4 under subdivision (2) (B) of subparagraph (c) is sold  
5 within three years after the date of importation, or if any  
6 article which has been exempted from duty under subdivision  
7 (2) of subparagraph (b) is sold within one year after the  
8 date of importation, without prior payment to the United  
9 States of the duty which would have been payable at the  
10 time of entry if the article had been entered without the  
11 benefit of this paragraph, such article, or its value (to be  
12 recovered from the importer), shall be subject to forfeiture.  
13 A sale pursuant to a judicial order or in liquidation of the  
14 estate of a decedent shall not be subject to the provisions  
15 of this subparagraph.

16 “(h) The Secretary of the Treasury shall prescribe  
17 methods and regulations for carrying out the provisions of  
18 this paragraph. No exemption provided for in this para-  
19 graph shall be applied to any article which is not declared  
20 in accordance with such regulations.”

21 FREE ENTRY FOR NONCOMMERCIAL EXHIBITIONS

22 SEC. 9. (a) Paragraph 1809 of the Tariff Act of 1930  
23 (U. S. C., 1946 edition, title 19, sec. 1201, par. 1809),  
24 is amended by inserting “within five years after the date

1 of entry hereunder” after “used contrary to this provision”;  
2 by inserting “within such five-year period” after “at any  
3 time”; and by deleting “and the preceding”.

4 (b) The conditions of any bond in force on the effective  
5 date of this Act in respect of articles previously entered  
6 under the provisions of paragraph 1809 or the corresponding  
7 provisions of any Tariff Act prior to the Tariff Act of 1930  
8 shall be deemed to have been satisfied upon the effective date  
9 of this Act or upon the expiration of five years from the date  
10 such articles were entered, whichever is later, except with  
11 respect to any violation which has occurred or which shall  
12 have occurred before such time.

13 TEMPORARY FREE ENTRY FOR SAMPLES AND OTHER

14 ARTICLES UNDER BOND

15 SEC. 10. (a) (1) The part of section 308 of the Tariff  
16 Act of 1930, as amended (U. S. C., 1946 edition, title 19,  
17 sec. 1308), following the heading and preceding the num-  
18 bered items is amended to read as follows:

19 “The following articles, when not imported for sale  
20 or for sale on approval, may be admitted into the United  
21 States under such rules and regulations as the Secretary of  
22 the Treasury may prescribe, without the payment of duty,  
23 under bond for their exportation within one year from the date  
24 of importation, which period, in the discretion of the Secre-



1 tary of the Treasury, may be extended, upon application, for  
2 one or more further periods which, when added to the initial  
3 one year, shall not exceed a total of three years:”.

4 (2) The amendment made by paragraph (1) shall be  
5 effective with respect to articles imported before or after  
6 this section is enacted.

7 (b) Section 308 (3) of the Tariff Act of 1930  
8 (U. S. C., 1946 edition, title 19, sec. 1308 (3) ) is amended  
9 by inserting immediately after the word “Samples” the fol-  
10 lowing: “(but not including photoengraved printing plates  
11 imported to be reproduced)”.

12 (c) Section 308 (4) of the Tariff Act of 1930  
13 (U. S. C., 1946 edition, title 19, sec. 1308 (4) ) is amended  
14 to read as follows:

15 “(4) Articles intended solely for testing, experi-  
16 mental, or review purposes, including plans, specifica-  
17 tions, drawings, blueprints, photographs, and similar  
18 articles for use in connection with experiments or for  
19 study, and upon satisfactory proof that any such article  
20 has been destroyed because of its use for any such pur-  
21 pose the obligation under such bond to export such  
22 articles shall be treated as satisfied;”.

1 (d) Section 308 (5) of the Tariff Act of 1930, as  
2 amended (U. S. C., 1946 edition, title 19, sec. 1308 (5) ),  
3 is further amended to read as follows:

4 “(5) Automobiles, motorcycles, bicycles, airplanes,  
5 airships, balloons, boats, racing shells, and similar vehi-  
6 cles and craft, and the usual equipment of the foregoing;  
7 all the foregoing which are brought temporarily into the  
8 United States by nonresidents for the purpose of taking  
9 part in races or other specific contests;”.

10 (e) Section 308 (7) of the Tariff Act of 1930  
11 (U. S. C., 1946 edition, title 19, sec. 1308 (7) ), is amended  
12 to read as follows:

13 “(7) Containers for compressed gases, filled or  
14 empty, and containers or other articles in use for cover-  
15 ing or holding merchandise (including personal or house-  
16 hold effects) during transportation and suitable for reuse  
17 for that purpose;” .

18 (f) Section 308 of the Tariff Act of 1930, as amended  
19 (U. S. C., 1946 edition, title 19, sec. 1308), is further  
20 amended by changing the period at the end thereof to a semi-  
21 colon and adding the following new subdivisions:

1       “(10) Animals and poultry brought into the United  
2       States for the purpose of breeding, exhibition, or com-  
3       petition for prizes, and the usual equipment therefor;

4       “(11) Theatrical scenery, properties, and apparel  
5       brought into the United States by proprietors or man-  
6       agers of theatrical exhibitions arriving from abroad for  
7       temporary use by them in such exhibitions; and

8       “(12) Works of art, drawings, engravings, photo-  
9       graphic pictures, and philosophical and scientific ap-  
10      paratus brought into the United States by professional  
11      artists, lecturers, or scientists arriving from abroad for  
12      use by them for exhibition and in illustration, promo-  
13      tion, and encouragement of art, science, or industry in  
14      the United States.”

15      (g) Paragraph 1607 of the Tariff Act of 1930 (U. S. C.,  
16      1946 edition, title 19, sec. 1201, par. 1607), is amended  
17      to read as follows:

18      “PAR. 1607. (a) Teams of animals, including their  
19      harness and tackle, and the wagons or other vehicles actually  
20      owned by persons emigrating from foreign countries to the  
21      United States with their families, and in actual use for the  
22      purpose of such emigration, under such regulations as the  
23      Secretary of the Treasury may prescribe.

24      “(b) Wild animals and birds intended for exhibition



1 in zoological collections for scientific or educational purposes,  
2 and not for sale or profit.”

3 (h) Paragraph 1747 of the Tariff Act of 1930 (U. S. C.,  
4 1946 edition, title 19, sec. 1201, par. 1747), is amended  
5 by changing the second semicolon to a period and deleting  
6 the remainder of the paragraph.

7 (i) Paragraph 1808 of the Tariff Act of 1930 (U. S. C.,  
8 1946 edition, title 19, sec. 1201, par. 1808), is repealed.

9 SUPPLIES AND EQUIPMENT FOR VESSELS AND AIRCRAFT

10 SEC. 11. (a) Subsections (a) and (b) of section 309 of  
11 the Tariff Act of 1930, as amended (U. S. C., 1946 edition,  
12 title 19, sec. 1309 (a) and (b)), relating to articles for  
13 certain vessels and aircraft, are further amended to read as  
14 follows:

15 “(a) EXEMPTION FROM DUTIES AND TAXES.—Articles  
16 of foreign or domestic origin may be withdrawn, under such  
17 regulations as the Secretary of the Treasury may prescribe,  
18 from any customs bonded warehouse, from continuous cus-  
19 toms custody elsewhere than in a bonded warehouse, or  
20 from a foreign-trade zone free of duty and internal-revenue  
21 tax, or from any internal-revenue bonded warehouse, from  
22 any brewery, or from any winery premises or bonded  
23 premises for the storage of wine, free of internal-revenue  
24 tax—

1           “(1) for supplies (not including equipment) of  
2       (A) vessels or aircraft operated by the United  
3       States, (B) vessels of the United States employed in  
4       the fisheries or in the whaling business, or actually  
5       engaged in foreign trade or trade between the Atlantic  
6       and Pacific ports of the United States or between the  
7       United States and any of its possessions, or (C) aircraft  
8       registered in the United States and actually engaged in  
9       foreign trade or trade between the United States and  
10      any of its possessions; or

11          “(2) for supplies (including equipment) or repair  
12      of (A) vessels of war of any foreign nation, or (B)  
13      foreign vessels employed in the fisheries or in the whal-  
14      ing business, or actually engaged in foreign trade or  
15      trade between the United States and any of its posses-  
16      sions, where such trade by foreign vessels is permitted;  
17      or

18          “(3) for supplies (including equipment), ground  
19      equipment, maintenance, or repair of aircraft registered  
20      in any foreign country and actually engaged in foreign  
21      trade or trade between the United States and any of its  
22      possessions, where trade by foreign aircraft is permitted.  
23      With respect to articles for ground equipment, the ex-  
24      emption hereunder shall apply only to duties and to taxes  
25      imposed upon or by reason of importation.

1       “(b) DRAWBACK.—Articles withdrawn from bonded  
2 warehouses, bonded manufacturing warehouses, continuous  
3 customs custody elsewhere than in a bonded warehouse, or  
4 from a foreign-trade zone, and articles of domestic manufac-  
5 ture or production, laden as supplies upon any such vessel  
6 or aircraft of the United States or laden as supplies (includ-  
7 ing equipment) upon, or used in the maintenance or repair  
8 of, any such foreign vessel or aircraft, shall be considered to  
9 be exported within the meaning of the drawback provisions  
10 of this Act.”

11       (b) Section 317 (b) of the Tariff Act of 1930, as  
12 amended (U. S. C., 1946 edition, title 19, sec. 1317 (b) ),  
13 is amended to read as follows:

14       “(b) The shipment or delivery of any merchandise for  
15 use as supplies (including equipment) upon, or in the main-  
16 tenance or repair of any vessel or aircraft described in sub-  
17 division (2) or (3) of section 309 (a) of this Act, or for  
18 use as ground equipment for any such aircraft, shall be  
19 deemed an exportation within the meaning of the customs  
20 and internal-revenue laws applicable to the exportation of  
21 such merchandise without the payment of duty or internal-  
22 revenue tax. With respect to merchandise for use as ground  
23 equipment, such shipment or delivery shall not be deemed  
24 an exportation within the meaning of the internal-revenue



1 laws relating to taxes other than those imposed upon or by  
2 reason of importation.”

3 (c) Section 3115 of the Revised Statutes, as amended  
4 (U. S. C., 1946 edition, title 19, sec. 258), is further  
5 amended by—

6 (1) striking out the comma at the end of para-  
7 graph (2) and inserting in lieu thereof “; or” and  
8 inserting after paragraph (2) the following new  
9 paragraph:

10 “(3) that such equipments, or parts thereof, or  
11 materials, or labor, were used as dunnage for cargo,  
12 or for the packing or shoring thereof, or in the erection  
13 of bulkheads or other similar devices for the control of  
14 bulk cargo, or in the preparation of tanks for the car-  
15 riage of liquid cargo;” and

16 (2) striking out “such equipments” the last place  
17 it appears in such section and inserting in lieu thereof  
18 “such equipments or parts thereof or materials”.

19 **DRAWBACK**

20 SEC. 12. (a) Section 313 (b) of the Tariff Act of  
21 1930, as amended (U. S. C., 1946 edition, title 19, sec.  
22 1313 (b)), is further amended by deleting “one year” and  
23 substituting therefor “three years”.

24 (b) Section 313 (c) of the Tariff Act of 1930 (U. S. C.,

1 1946 edition, title 19, sec. 1313 (c) ), is amended by insert-  
2 ing “or shipped without the consent of the consignee” after  
3 “sample or specifications”; by deleting “thirty days” and  
4 substituting therefor “ninety days”; and by inserting “unless  
5 the Secretary authorizes in writing a longer time”, following  
6 “after release from customs custody,”.

7 (c) Section 313 of the Tariff Act of 1930, as amended  
8 (U. S. C., 1946 edition, title 19, sec. 1313), is further  
9 amended by revising subsections (h) and (i) thereof to  
10 read as follows:

11 “(h) TIME LIMITATION ON EXPORTATION.—No draw-  
12 back shall be allowed under the provisions of this section  
13 unless the completed article is exported within five years  
14 after importation of the imported merchandise.

15 “(i) REGULATIONS.—Allowance of the privileges pro-  
16 vided for in this section shall be subject to compliance with  
17 such rules and regulations as the Secretary of the Treasury  
18 shall prescribe, which may include, but need not be limited  
19 to, the fixing of a time limit within which drawback entries  
20 or entries for refund under any of the provisions of this  
21 section or section 309 (b) of this Act shall be filed and  
22 completed, and the designation of the person to whom any  
23 refund or payment of drawback shall be made.”

## 1 ADMINISTRATIVE EXEMPTION

2 SEC. 13. Section 321 of the Tariff Act of 1930, as  
3 amended (U. S. C., 1946 edition, title 19, sec. 1321), is  
4 amended to read as follows:

## 5 "SEC. 321. ADMINISTRATIVE EXEMPTIONS.

6 "(a) The Secretary of the Treasury, in order to avoid  
7 expense and inconvenience to the Government dispropor-  
8 tionate to the amount of revenue that would otherwise be  
9 collected, is hereby authorized, under such regulations as  
10 he shall prescribe, to—

11 "(1) disregard a difference of less than \$3 between  
12 the total estimated duties or taxes deposited, or the total  
13 duties or taxes tentatively assessed, with respect to any  
14 entry of merchandise and the total amount of duties or  
15 taxes actually accruing thereon; and

16 "(2) admit articles free of duty and of any tax  
17 imposed on or by reason of importation, but the aggre-  
18 gate value of articles imported by one person on one day  
19 and exempted from the payment of duty shall not  
20 exceed—

21 "(A) \$10 in the case of articles sent as bona  
22 fide gifts from persons in foreign countries to per-  
23 sons in the United States, or

24 "(B) \$10 in the case of articles accompanying,  
25 and for the personal or household use of, persons



arriving in the United States who are not entitled to any exemption from duty or tax under paragraph 1798 (c) (2) of this Act, or

“(C) \$1 in any other case.

The privilege of this subdivision (2) shall not be granted in any case in which merchandise covered by a single order or contract is forwarded in separate lots to secure the benefit of this subdivision (2).

“(b) The Secretary of the Treasury is authorized by regulations to diminish any dollar amount specified in subsection (a) and to prescribe exceptions to any exemption provided for in such subsection whenever he finds that such action is consistent with the purpose of such subsection or is necessary for any reason to protect the revenue or to prevent unlawful importations.”

#### INTERNATIONAL TRAFFIC AND RESCUE WORK

SEC. 14. The Tariff Act of 1930, as amended, is further amended by adding immediately following section 321 (U. S. C., 1946 edition, title 19, sec. 1321) a new section reading as follows:

#### “SEC. 322. INTERNATIONAL TRAFFIC AND RESCUE WORK.

“(a) Vehicles and other instruments of international traffic, of any class specified by the Secretary of the Treasury, shall be granted the customary exceptions from the applica-

tion of the customs laws to such extent and subject to such terms and conditions as may be prescribed in regulations or instructions of the Secretary of the Treasury.

“(b) The Secretary of the Treasury may provide by regulation or instruction for the admission, without entry and without the payment of any duty or tax imposed upon or by reason of importation, of—

“(1) aircraft, equipment, supplies, and spare parts for use in searches, rescues, investigations, repairs, and salvage in connection with accidental damage to aircraft;

“(2) fire-fighting and rescue and relief equipment and supplies for emergent temporary use in connection with conflagrations; and

“(3) rescue and relief equipment and supplies for emergent temporary use in connection with floods and other disasters.

Any articles admitted under the authority of this subsection and used otherwise than for a purpose herein expressed, or not exported in such time and manner as may be prescribed in the regulations or instructions herein authorized, shall be forfeited to the United States.”

## VALUE

SEC. 15. (a) Section 402 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1402), is further amended to read as follows:

1   **“SEC. 402. VALUE.**

2       “(a) **BASIS.**—Except as otherwise specifically provided  
3 for, the value of imported merchandise for the purposes of  
4 this Act shall be—

5       “(1) the export value;

6       “(2) if the export value cannot be determined sat-  
7 isfactorily, then the United States value;

8       “(3) if neither the export value nor the United  
9 States value can be determined satisfactorily, then the  
10 comparative value; or

11       “(4) if neither the export value, the United States  
12 value, nor the comparative value can be determined sat-  
13 isfactorily, then the constructed value; but

14       “(5) in the case of an article with respect to which  
15 there is in effect under section 336 a rate of duty based  
16 upon the American selling price of a domestic article,  
17 the value shall be the American selling price of such  
18 domestic article.

19       “(b) **EXPORT VALUE.**—The export value of imported  
20 merchandise shall be the market value or the price, at the  
21 time of exportation to the United States of the merchandise  
22 undergoing appraisement, at which such or similar mer-  
23 chandise is freely sold or, in the absence of sales, offered for  
24 sale in the principal markets of the country of exportation, in



1 the usual wholesale quantities and in the ordinary course of  
2 trade, for exportation to the United States, plus, when not  
3 included in such price, the cost of all containers and cover-  
4 ings of whatever nature and all other expenses incidental to  
5 placing the merchandise in condition, packed ready for  
6 shipment to the United States.

7 “(c) UNITED STATES VALUE.—The United States  
8 value of imported merchandise shall be the price, at the time  
9 of exportation to the United States of the merchandise under-  
10 going appraisement, at which such or similar imported  
11 merchandise is freely sold or, in the absence of sales, offered  
12 for sale in the principal market of the United States for  
13 domestic consumption, packed ready for delivery, in the usual  
14 wholesale quantities and in the ordinary course of trade, with  
15 allowances made for—

16 “(1) any commission usually paid or agreed to be  
17 paid on merchandise secured otherwise than by purchase  
18 or agreement to purchase; or, on merchandise secured  
19 by purchase or agreement to purchase, the addition for  
20 profit and general expenses usually made by sellers in  
21 such market on imported merchandise of the same class  
22 or kind as the merchandise undergoing appraisement;

23 “(2) the usual costs of transportation and insur-  
24 ance and other usual expenses from the place of ship-

ment to the place of delivery, not including any expense provided for in subdivision (1) ; and

“(3) the ordinary customs duties and other Federal taxes currently payable on such or similar merchandise by reason of its importation or Federal excise taxes on, or measured by the value of, such or similar merchandise, for which vendors at wholesale in the United States are ordinarily liable.

“If such or similar merchandise was not so sold or offered at the time of exportation of the merchandise undergoing appraisement, the United States value shall be determined, subject to the foregoing specifications of this subsection, from the price at which such or similar merchandise is so sold or offered at the earliest date after such time of exportation but before the expiration of ninety days after the importation of the merchandise undergoing appraisement.

“(d) COMPARATIVE VALUE.—The comparative value of imported merchandise shall be the equivalent of the export value as nearly as such equivalent may be determined by the appraiser on the basis of the export or United States value of other merchandise exported from the same country at the time the merchandise undergoing appraisement was exported which is comparable in construction and use with the

1 merchandise undergoing appraisement, with appropriate ad-  
2 justments for differences in size, material, construction,  
3 texture, or other differences.

4 “(e) **CONSTRUCTED VALUE.**—The constructed value of  
5 imported merchandise shall be the sum of—

6 “(1) the cost of materials and of fabrication or other  
7 processing of any kind employed in producing such or  
8 similar merchandise, at a time preceding the date of  
9 exportation of the merchandise undergoing appraisement  
10 which would ordinarily permit the production of that  
11 particular merchandise in the ordinary course of business;

12 “(2) an addition for general expenses and profit  
13 equal to that which producers in the country of produc-  
14 tion whose products are exported to the United States  
15 usually add in sales for exportation to the United States,  
16 in the usual wholesale quantities and in the ordinary  
17 course of trade, of merchandise of the same general  
18 class or kind as the merchandise undergoing appraise-  
19 ment; and

20 “(3) the cost of all containers and coverings of  
21 whatever nature, and all other expenses incidental to  
22 placing the merchandise undergoing appraisement in  
23 condition, packed ready for shipment to the United  
24 States.

25 “(f) **AMERICAN SELLING PRICE.**—The American sell-



1 ing price of any article manufactured or produced in the  
2 United States shall be the price, including the cost of all  
3 containers and coverings of whatever nature and all other  
4 expenses incident to placing the merchandise in condition  
5 packed ready for delivery, at which such article is freely  
6 sold or, in the absence of sales, offered for sale for domestic  
7 consumption in the principal market of the United States,  
8 in the ordinary course of trade and in the usual wholesale  
9 quantities, or the price that the manufacturer, producer, or  
10 owner would have received or was willing to receive for such  
11 merchandise when sold for domestic consumption in the  
12 ordinary course of trade and in the usual wholesale quantities,  
13 at the time of exportation of the imported article.

14 “(g) TAXES.—The value of imported merchandise  
15 determined in accordance with this section shall not  
16 include the amount of any internal tax, applicable within  
17 the country of origin or exportation, from which the mer-  
18 chandise undergoing appraisement has been exempted or has  
19 been or will be relieved by means of refund.

20 “(h) DEFINITIONS.—As used in this section, the fol-  
21 lowing terms shall have the meanings respectively indicated:

22 “(1) ‘Freely sold or, in the absence of sales, offered  
23 for sale’—sold or, in the absence of sales, offered to  
24 all purchasers at wholesale, or to one or more se-  
25 lected purchasers at wholesale at a price not less than

1       that at which it would be sold to all purchasers at whole-  
2       sale, without restrictions as to the disposition or use of  
3       the merchandise by the purchaser, except restrictions as  
4       to such disposition or use which (A) are imposed or  
5       required by law, or (B) limit the price at which or the  
6       territory in which the merchandise may be resold, or  
7       (C) do not substantially affect the value of the mer-  
8       chandise to usual purchasers at wholesale.

9           “(2) ‘Ordinary course of trade’—the conditions and  
10       practices which, for a reasonable time prior to the ex-  
11       portation of the merchandise undergoing appraisement,  
12       have been normal in the trade under consideration with  
13       respect to merchandise of the same class or kind as the  
14       merchandise undergoing appraisement.

15           “(3) ‘Purchasers at wholesale’—purchasers who  
16       buy in the usual wholesale quantities for industrial use  
17       or for resale otherwise than at retail; or, if there are no  
18       such purchasers, then all other purchasers for resale who  
19       buy in the usual wholesale quantities; or, if there are  
20       no purchasers in either of the foregoing categories, then  
21       all other purchasers who buy in the usual wholesale  
22       quantities.

23           “(4) ‘Such or similar merchandise’—the merchan-  
24       dise undergoing appraisement shall be considered ‘such’

merchandise; and other merchandise shall be considered  
'such' merchandise if—

“(A) it is identical in physical characteristics  
and was produced in the same country by the same  
person; or

“(B) when no value meeting the requirements  
of the definition of value under consideration can  
be determined under (A), the merchandise is  
identical in physical characteristics and was pro-  
duced by another person in the same country.

Merchandise shall be considered 'similar' to the mer-  
chandise undergoing appraisement if it is not within the  
foregoing definition of 'such' merchandise but—

“(C) it was produced in the same country as  
the merchandise undergoing appraisement, by the  
same person, of like materials, is used for the same  
purpose, and is of approximately equal commercial  
value; or

“(D) when no value meeting the requirements  
of the definition of value under consideration can be  
determined under (C), the merchandise is cor-  
respondingly similar and was produced by another  
person in the same country.

“(5) 'Usual wholesale quantities'—the quantities



1 usually sold in the class of transactions in which the  
2 greater aggregate quantity of the 'such or similar mer-  
3 chandise', in respect of which value is being determined,  
4 is sold in the market under consideration."

5 (b) Paragraph 27 (c) of the Tariff Act of 1930  
6 (U. S. C., 1946 edition, title 19, sec. 1001, par. 27 (c) ),  
7 is amended by changing "subdivision (g)" to "subdivision  
8 (f)" and by changing "subdivision (e)" to "subdivision  
9 (c)".

10 (c) Paragraph 28 (c) of the Tariff Act of 1930  
11 (U. S. C., 1946 edition, title 19, sec. 1001, par. 28 (c) ),  
12 is amended by changing "subdivision (g)" to "subdivision  
13 (f)" and by changing "subdivision (e)" to "subdivision  
14 (c)".

15 (d) Section 336 (b) of the Tariff Act of 1930  
16 (U. S. C., 1946 edition, title 19, sec. 1336 (b) ), is amended  
17 by changing "section 402 (g)" to "section 402 (f)".

18 SIGNING AND DELIVERY OF MANIFESTS

19 SEC. 16. Section 431 of the Tariff Act of 1930 (U. S. C.,  
20 1946 edition, title 19, sec. 1431), is amended by designat-  
21 ing the matter now therein as subsection (a) and by add-  
22 ing a new subsection to read as follows:

23 "(b) Whenever a manifest of articles or persons on  
24 board an aircraft is required for customs purposes to be  
25 signed, or produced or delivered to a customs officer, the

1 manifest may be signed, produced, or delivered by the pilot  
2 or person in charge of the aircraft, or by any other author-  
3 ized agent of the owner or operator of the aircraft, subject  
4 to such regulations as the Secretary of the Treasury may  
5 prescribe. If any irregularity of omission or commission  
6 occurs in any way in respect of any such manifest, the  
7 owner or operator of the aircraft shall be liable for any fine  
8 or penalty prescribed by law in respect of such irregularity.”

9 CERTIFIED INVOICES AND ENTRY OF MERCHANDISE

10 SEC. 17. (a) Section 482 (a) of the Tariff Act of  
11 1930 (U. S. C., 1946 edition, title 19, sec. 1482 (a) ), is  
12 amended by substituting “required pursuant to section 484  
13 (b) of this Act to be certified” for “covering merchandise  
14 exceeding \$100 in value” in the first clause.

15 (b) Section 484 (a) of the Tariff Act of 1930 (U. S. C.,  
16 1946 edition, title 19, sec. 1484 (a) ), is amended by  
17 deleting “forty-eight hours” and substituting therefor “five  
18 days”.

19 (c) Section 484 (b) of the Tariff Act of 1930 (U. S. C.,  
20 1946 edition, title 19, sec. 1484 (b) ), is amended to read  
21 as follows:

22 “(b) PRODUCTION OF CERTIFIED INVOICE.—The  
23 Secretary of the Treasury shall provide by regula-  
24 tion for the production of a certified invoice with  
25 respect to such merchandise as he deems advisable and for

1 the terms and conditions under which such merchandise may  
2 be permitted entry under the provisions of this section  
3 without the production of a certified invoice.”

4 (d) Section 498 (a) (1) of the Tariff Act of 1930  
5 (U. S. C., 1946 edition, title 19, sec. 1498 (a) (1) ) is  
6 amended to read as follows:

7 “(1) Merchandise, imported in the mails or other-  
8 wise, when the aggregate value of the shipment does not  
9 exceed such amount, not greater than \$250, as the Sec-  
10 retary of the Treasury shall specify in the regulations,  
11 and the specified amount may vary for different classes  
12 or kinds of merchandise or different classes of trans-  
13 actions;”.

14 (e) Section 498 (a) of the Tariff Act of 1930  
15 (U. S. C., 1946 edition, title 19, sec. 1498 (a) ) is further  
16 amended by deleting subdivision (11) and substituting there-  
17 for a new subdivision to read as follows:

18 “(11) Merchandise within the provisions of para-  
19 graph 1631 of this Act.”

20 (f) The Act of June 8, 1896 (U. S. C., 1946 edition,  
21 title 19, secs. 472-475) , is hereby repealed.

22 VERIFICATION OF DOCUMENTS

23 SEC. 18. Section 486 of the Tariff Act of 1930 (U. S. C.,  
24 1946 edition, title 19, sec. 1486) , is amended by changing  
25 the heading to read



1   **“SEC. 486. ADMINISTRATION OF OATHS—VERIFICATION**  
 2                   **OF DOCUMENTS.”**

3   and by adding at the end thereof the following new sub-  
 4   section:

5       “(d) VERIFICATION IN LIEU OF OATH.—The Secre-  
 6   tary of the Treasury may by regulation prescribe that any  
 7   document required by any law administered by the Customs  
 8   Service to be under oath may be verified by a written dec-  
 9   laration in such form as he shall prescribe, such declaration  
 10   to be in lieu of the oath otherwise required.”

11                   **AMENDMENT OF ENTRIES**

12       SEC. 19. (a) Section 487 of the Tariff Act of 1930  
 13   (U. S. C., 1946 edition, title 19, sec. 1487) is amended by  
 14   deleting therefrom “or at any time before the invoice or  
 15   the merchandise has come under the observation of the  
 16   appraiser for the purpose of appraisement,”.

17       (b) Section 489 of the Tariff Act of 1930 (U. S. C.,  
 18   1946 edition, title 19, sec. 1489) is amended by deleting the  
 19   first two paragraphs.

20       (c) Section 501 of the Tariff Act of 1930, as amended  
 21   (U. S. C., 1946 edition, title 19, sec. 1501), is further  
 22   amended by changing the period at the end of the first sen-  
 23   tence to a comma and by inserting thereafter “or (3) in  
 24   any case, if the consignee, his agent, or his attorney requests  
 25   such notice in writing before appraisement, setting forth a

1 substantial reason for requesting the notice.”, by inserting  
2 in the second sentence after “appraiser” the clause “, in-  
3 cluding all determinations entering into the same,”, and  
4 by deleting the third sentence of the section.

5 (d) Section 503 of the Tariff Act of 1930 (U. S. C.,  
6 1946 edition, title 19, sec. 1503), is amended by deleting  
7 subsection (b), by redesignating subsection (c) as sub-  
8 section (b), and by amending subsection (a) to read as  
9 follows:

10 “(a) GENERAL RULE.—Except as provided in section  
11 562 of this Act (relating to withdrawal from manipulating  
12 warehouses), the basis for the assessment of duties on im-  
13 ported merchandise subject to ad valorem rates of duty shall  
14 be the final appraised value.”

15 (e) The Act of July 12, 1932 (ch. 473, 47 Stat. 657:  
16 U. S. C., 1946 edition, title 19, sec. 1503a), is repealed.

17 (f) Section 562 of the Tariff Act of 1930, as amended  
18 (U. S. C., 1946 edition, title 19, sec. 1562), is further  
19 amended by changing the third sentence to read as follows:  
20 “The basis for the assessment of duties on such merchandise  
21 so withdrawn for consumption shall be the adjusted final  
22 appraised value, and if the rate of duty is based upon or  
23 regulated in any manner by the value of the merchandise,  
24 such rate shall be based upon or regulated by such adjusted  
25 final appraised value.”

## COMMINGLED MERCHANDISE

SEC. 20. Section 508 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1508) is amended to read as follows:

**“SEC. 508. COMMINGLING OF GOODS.**

“(a) Whenever dutiable merchandise and merchandise which is free of duty or merchandise subject to different rates of duty are so packed together or mingled that the quantity or value of each class of such merchandise cannot be readily ascertained by the customs officers (without physical segregation of the shipment or the contents of any entire package thereof), by one or more of the following means: (1) Examination of a representative sample, (2) occasional verification of packing lists or other documents filed at the time of entry, or (3) evidence showing performance of commercial settlement tests generally accepted in the trade and filed in such time and manner as may be prescribed by regulations of the Secretary of the Treasury, and if the consignee or his agent shall not segregate the merchandise pursuant to subsection (b), then the whole of such merchandise shall be subject to the highest rate of duty applicable to any part thereof.

“(b) Every segregation of merchandise made pursuant to this section shall be accomplished by the consignee or his agent at the risk and expense of the consignee within thirty



1 days after the date of personal delivery or mailing, by such  
2 employee as the Secretary of the Treasury shall designate,  
3 of written notice to the consignee that the merchandise  
4 is commingled, unless the Secretary authorizes in writing  
5 a longer time. Every such segregation shall be accomplished  
6 under customs supervision, and the compensation and ex-  
7 penses of the supervising customs officers shall be reimbursed  
8 to the Government by the consignee under such regulations  
9 as the Secretary of the Treasury may prescribe.

10 “(c) The foregoing provisions of this section shall not  
11 apply with respect to any part of a shipment if the consignee  
12 or his agent shall furnish, in such time and manner  
13 as may be prescribed by regulations of the Secretary  
14 of the Treasury, satisfactory proof (1) that such part (A)  
15 is commercially negligible, (B) is not capable of segrega-  
16 tion without excessive cost, and (C) will not be segregated  
17 prior to its use in a manufacturing process or otherwise, and  
18 (2) that the commingling was not intended to avoid the  
19 payment of lawful duties or any part thereof. Any mer-  
20 chandise with respect to which such proof is furnished shall  
21 be considered for all customs purposes as a part of the mer-  
22 chandise, subject to the next lower rate of duty (including  
23 a free rate), with which it is commingled.

24 “(d) The foregoing provisions of this section shall not  
25 apply with respect to any shipment if the consignee or his

1 agent shall furnish, in such time and manner as may be pre-  
2 scribed by regulations of the Secretary of the Treasury, satis-  
3 factory proof (1) that the value of the commingled merchan-  
4 dise is less than the aggregate value would be if the shipment  
5 were segregated; (2) that the shipment is not capable of seg-  
6regation without excessive cost and will not be segregated  
7 prior to its use in a manufacturing process or otherwise; and  
8 (3) that the commingling was not intended to avoid the  
9 payment of lawful duties or any part thereof. Any merchan-  
10 dise with respect to which such proof is furnished shall be  
11 considered for all customs purposes to be dutiable at the  
12 rate (including a free rate) applicable to the material  
13 present in greater quantity than any other material.”

14 CORRECTION OF ERRORS AND MISTAKES

15 SEC. 21. Subdivisions (1) and (2) of section 520 (c)  
16 of the Tariff Act of 1930, as amended (U. S. C., 1946 edi-  
17 tion, title 19, sec. 1520 (c) ), are further amended to read  
18 as follows:

19 “(1) a clerical error, mistake of fact, or other in-  
20 advertence not amounting to an error in the construction  
21 of a law, adverse to the importer and manifest from  
22 the record or established by documentary evidence, in  
23 any entry, liquidation, appraisement, or other customs  
24 transaction, when the error, mistake, or inadvertence  
25 is brought to the attention of the customs service within

1       one year after the date of entry, appraisement, or trans-  
2       action, or within sixty days after liquidation or exaction  
3       when the liquidation or exaction is made more than ten  
4       months after the date of the entry, appraisement, or  
5       transaction; or

6       “(2) any assessment of duty on household or  
7       personal effects in respect of which an application for  
8       refund has been filed, with such employee as the Secre-  
9       tary of the Treasury shall designate, within one year  
10      after the date of entry.”

#### 11                   CONVERSION OF CURRENCY

12      SEC. 22. (a) Section 25 of the Act of August 27, 1894.  
13      as amended and reenacted (U. S. C., 1946 edition, title 31,  
14      sec. 372 (a) ), is repealed, and section 522 of the Tariff  
15      Act of 1930 (U. S. C., 1946 edition, title 31, sec. 372) is  
16      amended to read as follows:

#### 17      “SEC. 522. CONVERSION OF CURRENCY.

18      “(a) The Secretary of the Treasury shall keep current  
19      a published list, expressed in United States dollars, of the  
20      par values which he finds are maintained by foreign coun-  
21      tries for their respective currencies. For the purposes of all  
22      provisions of the customs laws, whenever it is necessary  
23      to convert into an amount expressed in currency of the  
24      United States any amount expressed in a foreign currency



1 for which such a par value was maintained for the date as  
2 of which the value or cost requiring conversion is to be  
3 determined, such conversion, except as specified in subsection  
4 (d), shall be made at such par value.

5 “(b) If no such par value was so maintained for such  
6 date, the conversion shall be made at the buying rate for  
7 the foreign currency in the New York market at noon on  
8 the date as of which the value or cost requiring conversion  
9 is to be determined, or, if banks are generally closed on such  
10 date in New York City, then the buying rate at noon on  
11 the last preceding business day. For the purposes of this  
12 subsection, such buying rate shall be the buying rate for cable  
13 transfers payable in the foreign currency in which the amount  
14 to be converted is expressed, and shall be determined by the  
15 Federal Reserve Bank of New York and certified to the  
16 Secretary of the Treasury, who shall make it public at such  
17 times and to such extent as he shall deem necessary. In  
18 ascertaining such buying rate, such Federal Reserve bank  
19 may in its discretion (1) take into consideration the last  
20 ascertainable transactions and quotations, whether direct or  
21 through exchange of other currencies, and (2) if there is  
22 no market buying rate for such cable transfers, calculate such  
23 rate from actual transactions and quotations in demand or  
24 time bills of exchange or from the last ascertainable trans-

1 actions and quotations outside the United States in or for  
2 exchange payable in United States currency or other  
3 currency.

4 “(c) If, pursuant to subsection (b), the Federal Re-  
5 serve Bank of New York certifies more than one rate of  
6 exchange for a particular foreign currency for any date the  
7 conversion for customs purposes of amounts expressed in that  
8 currency for that date shall be made by applying the appli-  
9 cable rate or rates so certified which reflect effectively the  
10 value of that foreign currency in commercial transactions.

11 “(d) When there are one or more rates of exchange  
12 which vary by more than 5 per centum from the par value  
13 for any foreign currency listed pursuant to subsection (a),  
14 the list shall so indicate. In that event such additional rates  
15 of exchange may be certified in the manner set forth in  
16 subsection (b) and the par value and any certified rates  
17 shall be applied in the manner prescribed in subsection (c).”

18 (b) Section 481 (a) of the Tariff Act of 1930 (U. S. C.,  
19 1946 edition, title 19, sec. 1481 (a)) is amended by  
20 deleting subparagraph (7) and by renumbering subpara-  
21 graphs (8), (9), and (10) as (7), (8), and (9).

22 (c) Section 481 (b) of the Tariff Act of 1930 (U. S. C.,  
23 1946 edition, title 19, sec. 1481 (b)) is amended by delet-  
24 ing “, stating whether gold, silver, or paper”.

## TRANSFERS OF GOODS IN BONDED WAREHOUSE

SEC. 23. (a) Section 557 (b) of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1557 (b) ), is further amended to read as follows:

“(b) The right to withdraw any merchandise entered in accordance with subsection (a) of this section for the purposes specified in such subsection may be transferred upon compliance with regulations prescribed by the Secretary of the Treasury and upon the filing by the transferee of a bond in such amount and containing such conditions as the Secretary of the Treasury shall prescribe. The bond shall include an obligation to pay, with respect to the merchandise the subject of the transfer, all unpaid regular, increased, and additional duties, all unpaid taxes imposed upon or by reason of importation, and all unpaid charges and exactions. Such transfers shall be irrevocable, shall relieve the transferor from all customs liability with respect to obligations assumed by the transferee under the bond herein provided for, and shall confer upon the transferee all rights to the privileges provided for in this section and in sections 562 and 563 of this Act which were vested in the transferor prior to the transfer. The transferee shall also have the right to receive all lawful refunds of moneys paid by him to the United States with respect to the merchandise



1 the subject of the transfer, but shall have no right to file  
2 any protest under section 514 of this Act except as to deci-  
3 sions with respect to his rights under subsection (c) of this  
4 section or under section 562 or 563 of this Act or against  
5 a decision as to the rate or amount of duty, tax, charge,  
6 or exaction when such rate or amount has been changed by  
7 statute or proclamation on or after the date of the transfer.  
8 The transferee shall have no right to file an appeal for re-  
9 appraisal under section 501 of this Act, except when  
10 subsequent to the transfer and before a withdrawal for con-  
11 sumption has been deposited for the merchandise, it has been  
12 changed in condition pursuant to the provisions of section  
13 562 or 311 of this Act in a manner which necessitates that  
14 it be appraised in its changed condition in order that the  
15 correct amount of duties may be assessed. No new or sepa-  
16 rate liquidation, reliquidation, or determination shall be made  
17 in the name of, or on behalf of, a transferee, except with  
18 regard to any matter which may arise under subsection (c)  
19 of this section or section 562 or 563 of this Act when the  
20 transferee has invoked either of these sections, and in the  
21 case of a statutory or proclaimed change in the rate of duty,  
22 tax, charge, or exaction applicable to the merchandise the  
23 subject of the transfer and effective on or after the date of

1 the transfer. A transferee may further transfer the right  
2 to withdraw merchandise, subject to the provisions of this  
3 subsection relating to original transfers.”

4 (b) Notwithstanding any other provision of this Act,  
5 the foregoing subsection (a) shall be effective with respect  
6 to merchandise entered after the date of the enactment of  
7 this Act and to merchandise which has been entered before  
8 that date and is the subject of a transfer within the purview  
9 of section 557 (b) of the Tariff Act, as amended by this  
10 Act, and made after the date of the enactment of this Act.

#### 11 CUSTOMS SUPERVISION

12 SEC. 24. The Tariff Act of 1930, as amended, is further  
13 amended by adding following section 645 (U. S. C., 1946  
14 edition, title 19, sec. 1645) a new section 646, reading as  
15 follows:

#### 16 “SEC. 646. CUSTOMS SUPERVISION.

17 “Wherever in this Act any action or thing is required  
18 to be done or maintained under the supervision of customs  
19 officers, such supervision may be direct and continuous or by  
20 occasional verification as may be required by regulations of  
21 the Secretary of the Treasury, or, in the absence of such  
22 regulations for a particular case, as the principal customs  
23 officer concerned shall direct.”

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83d CONGRESS  
1st Session

H. R. 5877

[Report No. 760]

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# A BILL

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To amend certain administrative provisions of  
the Tariff Act of 1930 and related laws, and  
for other purposes.

---

By Mr. JENKINS

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JUNE 22, 1953

Referred to the Committee on Ways and Means

JULY 9, 1953

Committed to the Committee of the Whole House on  
the State of the Union and ordered to be printed







# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued July 13, 1953

For actions of July 10 and 11, 1953

83rd-1st, Nos. 127 and 128

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

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**HIGHLIGHTS:** House received conference reports on drought-relief and mutual security bills. House Rules Committee cleared FCA-reorganization and customs-simplification bills. House passed bill authorizing surplus-property use for disaster relief. House passed excess-profits tax bill. House committee reported supplemental appropriation bill. Senate passed second independent offices appropriation bill. Senate agreed to investigation of unfit-wheat imports. Senate committee reported wheat-quotas bill. Senate leader announced wheat-agreement debate for today.

## SENATE - July 10

**APPROPRIATIONS.** Passed with amendments H. R. 5690, the second independent offices appropriation bill for 1954, which includes funds for the Tennessee Valley Authority, Veterans' Administration, and Selective Service System (pp. 8742-84). Senate conferees were appointed (p. 8784). Agreed to a committee amendment "to clarify the proviso that the cutting off of the 4 percent gratuity on loans to veterans for the purchase or construction of homes, farms and business property by September 1, 1953, would not apply to loans previously made." Agreed to a committee provision that under any contract between a State or its subdivision and the Veterans' Administration for on-farm training, etc., the State or subdivision shall not be liable for disallowed subsistence allowances unless the State or subdivision shared in the blame. Agreed to a modified Cooper amendment to increase funds by \$1,350,000 for resource development by TVA. Rejected a Kefauver amendment increasing TVA by \$30,000,000. The committee report states the following regarding TVA: "The committee directs the Authority by the end of the fiscal year 1954 to turn over to Federal, State, or local governments or public or private agencies the responsibility for continuing their respective parts of the resource development program."

**2. WHEAT.** The Agriculture and Forestry Committee reported with amendments H. R. 5451, to amend the wheat marketing quota law (S. Rept. 520) (p. 8730). The "Daily Digest" states: "The major amendment approved by the committee would decrease from 66 to 61 million acres the minimum 1954 wheat acreage allotment" (p. D684).



This bill was made the unfinished business (p. 8792).

Agreed, without amendment, to S. Res. 127, to authorize the Agriculture and Forestry Committee to investigate importation of unfit wheat from Canada (p. 8786).

Sen. Knowland announced that it is intended to debate the International Wheat Agreement today (p. 8749).

#### Foreign

3. FOREIGN TRADE. The Interstate and Commerce Committee reported without amendment S. Con. Res. 40, favoring the placing of the inscription "United States of America" on containers of American-made goods for export (S. Rept. 514)(p.8733).

#### HOUSE - July 10

4. DROUGHT RELIEF. Received the conference report on H. R. 6054, the drought-relief bill (H. Rept. 769)(pp. 8703-4). The conference substitute in general follows the provisions of the House version. The following were among the actions of the conferees: Inserted "established" before "farmers and stockmen". Struck out the limitation that local loan committees must be appointed from local financing institutions and livestock operators. Adopted the House provision for emergency assistance in furnishing feed and seed except that the specific authorization to waive payment was eliminated. Restored the authority for the Secretary to use any part of the Department in carrying out the bill. Restored the Senate provision on security for loans.
5. FOREIGN AID. Received the conference report on H. R. 5710, to extend and amend the Mutual Security Act (H. Rept. 770)(pp. 8720-6). The conferees agreed upon an authorization of \$5,157,232,500, compared with a House figure of \$4,998,732,500 and a Senate figure of \$5,318,732,500. Agreed to a modified version on use of surplus agricultural commodities requiring that, of the funds authorized, not less than \$100,000,000 and not more than \$250,000,000 "shall be used directly or indirectly, to finance the purchase of surplus agricultural commodities." (The House conferees' statement says the provision for "indirect" financing "is to permit reimbursement of the Commodity Credit Corporation for commodities supplied from its stocks.") Under the modified provision, sale of agricultural surpluses for local currencies is authorized, and such currencies are to be kept in a special U. S. account and may be utilized for the purposes set forth in the legislation without appropriation by Congress; local currencies so acquired may be spent only for the purposes of the Mutual Security Act; and special precautions are to be taken to prevent disposing of surpluses in a manner which would displace normal market arrangements and to insure that maximum use will be made of private trade channels.
6. FCA REORGANIZATION; FOREIGN TRADE; FOOD INSPECTION. The Rules Committee reported resolutions providing for the consideration of H. R. 4353, the FCA reorganization bill; H. R. 5877, the customs-simplification bill; and H. R. 5740, to amend the Federal Food, Drug, and Cosmetic Act, providing for certain authority for factory inspection (p. 8727).
7. RESEARCH. Received from this Department a proposed bill to amend the Bankhead-Jones Act so as to broaden the authority to carry on research under contract; to Agriculture Committee (p. 8727). The Senate received this proposed legislation on July 11; to Agriculture and Forestry Committee (p. 8794).
8. TAXATION. Passed without amendment, 325-77, H. R. 5898, to extend the excess-profits tax until Dec. 31, 1953 (pp. 8665-701).



CONSIDERATION OF H. R. 5877

JULY 10, 1953.—Referred to the House Calendar and ordered to be printed

Mr. ALLEN of Illinois, from the Committee on Rules, submitted the following

REPORT

[To accompany H. Res. 327]

The Committee on Rules, having had under consideration House Resolution 327, report the same to the House with the recommendation that the resolution do pass.

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10 and controlled by the chairman and ranking minority mem-  
11 ber of the Committee on Ways and Means, the bill shall be  
12 considered as having been read for amendment. No amend-



## House Calendar No. 103

83<sup>RD</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. RES. 327

[Report No. 761]

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### IN THE HOUSE OF REPRESENTATIVES

JULY 10, 1953

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

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## RESOLUTION

1       *Resolved*, That upon the adoption of this resolution it  
2 shall be in order to move that the House resolve itself into  
3 the Committee of the Whole House on the State of the  
4 Union for the consideration of the bill (H. R. 5877) to  
5 amend certain administrative provisions of the Tariff Act of  
6 1930 and related laws, and for other purposes, and all points  
7 of order against said bill are hereby waived. That after  
8 general debate, which shall be confined to the bill, and shall  
9 continue not to exceed two hours, to be equally divided  
10 and controlled by the chairman and ranking minority mem-  
11 ber of the Committee on Ways and Means, the bill shall be  
12 considered as having been read for amendment. No amend-



1 ment shall be in order to said bill except amendments of-  
2 fered by direction of the Committee on Ways and Means.  
3 Amendments offered by direction of the Committee on Ways  
4 and Means may be offered to any section of the bill at the  
5 conclusion of the general debate, but said amendments shall  
6 not be subject to amendment. At the conclusion of the con-  
7 sideration of the bill for amendment, the Committee shall  
8 rise and report the bill to the House with such amendments  
9 as may have been adopted, and the previous question shall  
10 be considered as ordered on the bill and amendments thereto  
11 to final passage without intervening motion, except one  
12 motion to recommit.



83d CONGRESS  
1ST SESSION

**H. RES. 327**

[Report No. 761]

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**RESOLUTION**

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Providing for the consideration of H. R. 5877,  
a bill to amend certain administrative pro-  
visions of the Tariff Act of 1930 and related  
laws, and for other purposes.

---

By Mr. ALLEN of Illinois

---

JULY 10, 1953

Referred to the House Calendar and ordered to be  
printed







# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued July 14, 1953  
For actions of July 13, 1953  
83rd-1st, No. 129

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HIGHLIGHTS: Both Houses completed congressional action on drought-relief and foreign-aid bills. Senate ratified Wheat Agreement and passed measure to carry it out. Senate and House conferees were appointed on wheat marketing quota bill. Senate received Arnold nomination to FCA. House passed customs-simplification bill. House Rules Committee cleared supplemental appropriation bill. House committee reported bill to modify trade agreements law. Rep. Steed spoke in favor of livestock price supports.

## SENATE

1. DROUGHT RELIEF. Both Houses agreed to the conference report on H. R. 6054, the drought-relief bill (pp. 8835-7, 8886-7). This bill will now be sent to the President.
2. WHEAT. Ratified Executive H, to revise and extend the International Wheat Agreement. The Agreement and an explanation of it are printed in the Record. (pp. 8890-912.)  
Passed without amendment S. J. Res. 97, to provide for effectuation of the new International Wheat Agreement (pp. 8873, 8912).  
Senate and House conferees were appointed on H. R. 5451, to amend the wheat marketing quota law (pp. 8834, 8887).
3. FOREIGN AID. Both Houses agreed to the conference report on H. R. 5710, to amend and extend the Mutual Security Act. The House vote was 221-109. (pp. 8938-40, 8861-8.) This bill will now be sent to the President. Sen. Wiley expressed regret that the authorization for ICEF was not larger (p. 8883).  
Sen. Morse inserted a paper by E. J. Bell favoring "Aid By Trade" (pp. 8883-6).
4. NOMINATION of Carl Raymond Arnold to be FCA Governor was received (p. 8948).
5. POTATOES. S. 2124, relating to repacking of potatoes, was taken from the Interstate and Foreign Commerce Committee and referred to the Agriculture and Forestry Committee (p. 8880).



6. PRICE SUPPORTS. Sen. Langer inserted a Carson (N. Dak.) Commercial Club resolution favoring present price-support legislation (p. 8874).
7. TREATIES. Sen. Wiley criticized the Bricker resolution, to limit treaty powers, and inserted letters opposing it (pp. 8880-3).

#### HOUSE

8. APPROPRIATIONS. The Rules Committee reported a resolution for consideration of H. R. 6200, the supplemental appropriation bill, 1954 (p. 8872).  
House conferees were appointed on H. R. 4974, the State, Justice, Commerce appropriation bill for 1954 (p. 8832), and H. R. 5246, the Labor-HEW appropriation bill for 1954 (p. 8834)... Senate conferees have been appointed.
9. FOREIGN TRADE. Passed with amendment H. R. 5877, to amend certain administrative provisions of the Tariff Act of 1930 to simplify customs procedure (pp. 8837-61). Rejected a committee amendment to require that injury or threat of injury be proved by an industry before a countervailing duty would be imposed by the Treasury Department (pp. 8860-1). Rep. Scott said this amendment was opposed by wool and cotton groups, etc. (p. 8843).  
The Ways and Means Committee reported without amendment H. R. 5894, to amend the Trade Agreements Extension Act to provide additional protection for American workers, farmers, etc. (H. Rept. 777) (p. 8872).
10. SMALL BUSINESS. Adopted H. J. Res. 294, making appropriations for the Small Defense Plants Administration for July 1953 (p. 8831).
11. PRICE DISCRIMINATION. Rep. Patman claimed there is a nationwide effort to fool the independent merchant as to his right to buy cooperatively under the Robinson-Patman Act (pp. 8868-9).

#### BILLS INTRODUCED

12. AGRICULTURAL ADJUSTMENT. H. R. 6257, by Rep. Hunter, and H. R. 6259, by Rep. Rhodes of Ariz., "to amend the Agricultural Adjustment Act of 1938"; to Agriculture Committee (p. 8872).
13. FOREIGN AID. H. R. 6262, by Rep. Radwan, to authorize CCC commodities to be used for foreign aid; to Agriculture Committee (p. 8872).
14. RESEARCH. S. 2367, by Sen. Aiken, "to strengthen the conduct of research" in USDA; to Agriculture and Forestry Committee (p. 8876).
15. SOIL CONSERVATION. S. 2368, by Sen. Aiken, to amend Sec. 8 (e) of the Soil Conservation and Domestic Allotment Act; to Agriculture and Forestry Committee (p. 8876).

#### BILLS APPROVED BY THE PRESIDENT

16. REORGANIZATION. S. 106, to establish a Commission on Organization of the Executive Branch. Approved July 10 (Public Law 108).  
S. 1514, to establish a Commission on Intergovernmental Relations. Approved July 10, 1953 (Public Law 109).
17. FLAG. S. 694, to prohibit display of flags of international organizations or other nations in equal or superior prominence or honor to the U. S. flag except under specified circumstances. Approved July 9, 1953 (Public Law 107).

83D<sup>1</sup> CONGRESS  
1ST SESSION

# H. R. 5877

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IN THE SENATE OF THE UNITED STATES

JULY 14 (legislative day, JULY 6), 1953

Read twice and referred to the Committee on Finance

---

## AN ACT

To amend certain administrative provisions of the Tariff Act of 1930 and related laws, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 SHORT TITLE AND EFFECTIVE DATE

4 SECTION 1. This Act may be cited as the "Customs  
5 Simplification Act of 1953" and shall be effective, except as  
6 otherwise specially provided for, on and after the thirtieth  
7 day following the date of its enactment.

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- Sec. 21. Correction of errors and mistakes.
- Sec. 22. Conversion of currency.
- Sec. 23. Transfers of goods in bonded warehouse.
- Sec. 24. Customs supervision.
- Sec. 25. Saving clause.

## 1 REPEAL OF OBSOLETE ACCOUNTING PROVISIONS

2 SEC. 2. (a) The following sections of the Revised  
 3 Statutes (relating to obsolete functions of customs officers  
 4 and functions of such officers now provided for by other laws)  
 5 are hereby repealed:

6 Revised Statutes 2621, as amended (U. S. C., 1946  
 7 edition, title 19, sec. 33).

8 Revised Statutes 2622, as amended (U. S. C., 1946  
 9 edition, title 19, sec. 34).

10 Revised Statutes 2623, as amended (U. S. C., 1946  
 11 edition, title 19, sec. 35).

12 Revised Statutes 2626, as amended (U. S. C., 1946  
 13 edition, title 19, sec. 39).

14 Revised Statutes 2639, as amended (U. S. C., 1946  
 15 edition, title 19, sec. 42).



1 Revised Statutes 2640, as amended (U. S. C., 1946  
2 edition, title 19, sec. 43).

3 Revised Statutes 2641, as amended (U. S. C., 1946  
4 edition, title 19, sec. 44).

5 Revised Statutes 2643, as amended (U. S. C., 1946  
6 edition, title 19, sec. 45).

7 (b) Section 439 of the Tariff Act of 1930 (U. S. C.,  
8 1946 edition, title 19, sec. 1439) is amended by deleting  
9 “the comptroller of customs for the district in which the port  
10 of entry is located” and substituting therefor “such employee  
11 as the Secretary of the Treasury shall designate”, and by  
12 deleting “said comptroller of customs” and substituting there-  
13 for “such employee designated by the Secretary”.

14 (c) Section 440 of the Tariff Act of 1930 (U. S. C.,  
15 1946 edition, title 19, sec. 1440) is amended by deleting  
16 “the comptroller of customs for the district in which the  
17 port of entry is located” and substituting therefor “such  
18 employee as the Secretary of the Treasury shall designate”.

19 (d) Section 523 of the Tariff Act of 1930 (U. S. C.,  
20 1946 edition, title 19, sec. 1523) is amended to read as  
21 follows:

22 **“SEC. 523. EXAMINATION OF ACCOUNTS.**

23 “The Secretary of the Treasury or such officer or em-  
24 ployee as he shall designate, shall, under regulations and  
25 instructions prescribed by the Secretary—

1           “(1) examine the collectors’ accounts of receipts  
2           and disbursements of money and receipts and disposition  
3           of merchandise; and

4           “(2) verify, to such extent as the Secretary of  
5           the Treasury shall direct, assessments of duties and taxes  
6           and allowances of drawback.”

7                       EFFECTIVE DATES OF RATES OF DUTY

8           SEC. 3. (a) Section 315 of the Tariff Act of 1930, as  
9           amended (U. S. C., 1946 edition, title 19, sec. 1315), is  
10          further amended to read as follows:

11       **“SEC. 315. EFFECTIVE DATES OF RATES OF DUTY.**

12       “(a) Except as otherwise specially provided for, the  
13       rate or rates of duty imposed by or pursuant to this Act or  
14       any other law on any article entered for consumption or  
15       withdrawn from warehouse for consumption shall be the  
16       rate or rates in effect when the documents comprising the  
17       entry for consumption or withdrawal from warehouse for  
18       consumption and any estimated or liquidated duties then  
19       required to be paid have been deposited with the appropriate  
20       customs officer in the form and manner prescribed by regula-  
21       tions of the Secretary of the Treasury, except that—

22       “(1) any article released under an informal mail  
23       entry shall be subject to duty at the rate or rates in  
24       effect when the preparation of the entry is completed;  
25       and

1           “(2) any article which is not subject to a quanti-  
2           tative or tariff-rate quota and which is covered by an  
3           entry for immediate transportation made at the port of  
4           original importation under section 552 of this Act, if  
5           entered for consumption at the port designated by the  
6           consignee, or his agent, in such transportation entry with-  
7           out having been taken into the custody of the collector  
8           under section 490 of this Act, shall be subject to the  
9           rate or rates in effect when the transportation entry was  
10          accepted at the port of original importation.

11          “(b) Any article which has been entered for consump-  
12          tion but which, before release from customs custody, is re-  
13          moved from the port or other place of intended release  
14          because of inaccessibility, overcarriage, strike, act of God,  
15          or unforeseen contingency, shall be subject to duty at the  
16          rate or rates in effect when the entry for consumption and  
17          any required duties were deposited in accordance with sub-  
18          section (a) of this section, but only if the article is returned  
19          to such port or place within ninety days after the date of re-  
20          moval and the identity of the article as that covered by the  
21          entry is established in accordance with regulations pre-  
22          scribed by the Secretary of the Treasury.

23          “(c) Insofar as duties are based upon the quantity of  
24          any merchandise, such duties shall, except as provided in  
25          paragraph 813 and section 562 of this Act (relating re-



1 spectively to certain beverages and to manipulating ware-  
2 houses), be levied and collected upon the quantity of such  
3 merchandise at the time of its importation.

4 “(d) No administrative ruling resulting in the impo-  
5 sition of a higher rate of duty or charge than the Secretary  
6 of the Treasury shall find to have been applicable to imported  
7 merchandise under an established and uniform practice shall  
8 be effective with respect to articles entered for consumption  
9 or withdrawn from warehouse for consumption prior to the  
10 expiration of thirty days after the date of publication in  
11 the weekly Treasury Decisions of notice of such ruling; but  
12 this provision shall not apply with respect to the imposition  
13 of antidumping duties.”

14 (b) Section 484 (f) of the Tariff Act of 1930, as  
15 amended (U. S. C., 1946 edition, title 19, sec. 1484 (f) ),  
16 is further amended by changing the period at the end to a  
17 semicolon and adding “except that, in the case of articles  
18 not subject to a quantitative or tariff-rate quota, entry for  
19 the entire quantity covered by an entry for immediate trans-  
20 portation made under section 552 of this Act may be accepted  
21 at the port of entry designated by the consignee, or his agent,  
22 in such entry after the arrival of any part of such quantity at  
23 such designated port or at such other place of deposit as  
24 may be authorized in accordance with regulations prescribed  
25 by the Secretary of the Treasury.”

## MARKING

SEC. 4. (a) Paragraphs 28, 354, 355, 357, 358, 359, 360, 361, and 1553 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1001, pars. 28, 354, 355, 357, 358, 359, 360, 361, and 1553) are amended as follows:

Paragraph 28 is amended by deleting from subparagraph (f) "the immediate container and".

Paragraph 354 is amended by deleting the second proviso.

Paragraphs 355, 357, 358, 359, 360, and 361 are amended by deleting the provisos.

Paragraph 1553 is amended by deleting both provisos.

(b) The following sections of the Revised Statutes are repealed:

Revised Statutes 2934 (U. S. C., 1946 edition, title 19, sec. 134).

Revised Statutes 2885 (U. S. C., 1946 edition, title 19, sec. 273).

Revised Statutes 2886 (U. S. C., 1946 edition, title 19, sec. 274).

(c) Section 304 (a) (3) of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1304 (a) (3)), is further amended by deleting "or" at the end of subdivision (I); by changing the period at the end of sub-

1 division (J) to a semicolon and by adding "or"; and by  
2 adding a new subdivision (K) as follows:

3 " (K) Such article cannot be marked after im-  
4 portation except at an expense which is economically  
5 prohibitive, and the failure to mark the article be-  
6 fore importation was not due to any purpose of the  
7 importer, producer, seller, or shipper to avoid com-  
8 pliance with this section."

9 TRANSPORTATION OF LEAD-BEARING AND  
10 ZINC-BEARING ORES

11 SEC. 5. (a) Paragraph 391 of the Tariff Act of 1930, as  
12 amended (U. S. C., 1946 edition, title 19, sec. 1001, par.  
13 391), is further amended by changing the colon at the end  
14 of the first proviso to a period; and by amending the rest  
15 of the paragraph to read as follows: "The Secretary of the  
16 Treasury is authorized to make all necessary regulations to  
17 enforce the provisions of this paragraph."

18 (b) Paragraph 393 of the Tariff Act of 1930, as  
19 amended (U. S. C., 1946 edition, title 19, sec. 1001, par.  
20 393), is further amended by changing the colon at the end  
21 of the first proviso to a period; and by amending the rest of  
22 the paragraph to read as follows: "The Secretary of the  
23 Treasury is authorized to make all necessary regulations to  
24 enforce the provisions of this paragraph."



## 1 REPEAL OF CERTAIN OBSOLETE RECIPROCAL PROVISIONS

2 SEC. 6. (a) Paragraph 812 of the Tariff Act of 1930  
3 (U. S. C., 1946 edition, title 19, sec. 1001, par. 812) is  
4 amended by deleting the proviso (relating to the importation  
5 of spirits in certain containers).

6 (b) Section 320 of the Tariff Act of 1930 (U. S. C.,  
7 1946 edition, title 19, sec. 1320), relating to reciprocal  
8 agreements covering advertising matter, is repealed.

## 9 AMERICAN GOODS RETURNED

10 SEC. 7. (a) Paragraph 1615 (f) of the Tariff Act of  
11 1930, as amended (U. S. C., 1946 edition, title 19, sec.  
12 1201, par. 1615 (f) ), is further amended by adding at the  
13 end thereof the following new sentences: "When because of  
14 the destruction of customs records or for other cause it is im-  
15 practicable to establish whether drawback was allowed, or  
16 to determine the amount of drawback allowed, on a reim-  
17 ported article excepted under subparagraph (e), there shall  
18 be assessed thereon an amount of duty equal to the estimated  
19 drawback and internal-revenue tax which would be allowable  
20 or refundable if the imported merchandise used in the manu-  
21 facture or production of the reimported article were dutiable  
22 or taxable at the rate applicable to such merchandise on the  
23 date of importation, but in no case more than the duty and

1 tax that would apply if the article were originally imported.  
2 In order to facilitate the ascertainment and collection of the  
3 duty provided for in this subparagraph, the Secretary of the  
4 Treasury is authorized to ascertain and specify the amounts  
5 of duty equal to drawback or internal-revenue tax which  
6 shall be applied to articles or classes or kinds of articles, and  
7 to exempt from the assessment of duty articles or classes or  
8 kinds of articles excepted under subparagraph (e) with  
9 respect to which the collection of such duty involves expense  
10 and inconvenience to the Government which is disproportionate to the probable amount of such duty.”

12 (b) (1) Paragraph 1615 (g) of the Tarriff Act of  
13 1930, as amended (U. S. C., 1946 edition, title 19, sec.  
14 1201, par. 1615 (g)), is further amended to read as  
15 follows:

16 “(g) (1) Any article exported from the United States  
17 for repairs or alterations may be returned upon the payment  
18 of a duty upon the value of the repairs or alterations at the  
19 rate or rates which would apply to the article itself in its  
20 repaired or altered condition if not within the purview of  
21 this subparagraph (g).

22 “(2) If—

23 “(A) any article of metal (except precious metal)  
24 manufactured in the United States or subjected to a

1 process of manufacture in the United States is exported  
2 for further processing; and

3 “(B) the exported article as processed outside the  
4 United States, or the article which results from the pro-  
5 cessing outside the United States, as the case may be, is  
6 returned to the United States for further processing,  
7 then such article may be returned upon the payment of a  
8 duty upon the value of such processing outside the United  
9 States at the rate or rates which would apply to such article  
10 itself if it were not within the purview of this subparagraph  
11 (g).

12 “(3) This subparagraph (g) shall not apply to any  
13 article exported—

14 “(A) from bonded warehouse or from continuous  
15 customs custody elsewhere than bonded warehouse with  
16 remission, abatement, or refund of duty;

17 “(B) with benefit of drawback through substitu-  
18 tion or otherwise; or

19 “(C) for the purpose of complying with any law  
20 of the United States or regulation of any Federal agency  
21 requiring exportation.

22 “(4) For the purposes of this subparagraph (g), the  
23 value of repairs, alterations, or processing outside the United  
24 States shall be considered to be—



1           “(A) the cost to the importer of such repairs,  
2           alterations, or processing; or

3           “(B) if no charge is made, the value of such re-  
4           pairs, alterations, or processing,  
5           as set out in the invoice and entry papers; except that, if  
6           the Secretary of the Treasury concludes that the amount  
7           so set out does not represent a reasonable cost or fair value,  
8           as the case may be, then the value of the repairs, alter-  
9           ations, or processing shall be determined in accordance  
10          with section 402 of this Act. No appraisement of the  
11          imported article in its repaired, altered, or processed con-  
12          dition shall be required unless necessary to a determination  
13          of the rate or rates of duty applicable to such article.”

14          (2) The amendment made by paragraph (1) of this  
15          subsection shall be effective as to articles entered, or with-  
16          drawn from warehouse, for consumption on or after the  
17          day following the date of the enactment of this Act and  
18          shall apply also to any such articles entered or withdrawn  
19          before that day with respect to which no assessment of  
20          duty has become final by reason of section 514 of the  
21          Tariff Act of 1930.

22                               FREE ENTRY PROVISIONS FOR TRAVELERS

23          SEC. 8. Paragraph 1798 of the Tariff Act of 1930, as  
24          amended (U. S. C., 1946 edition, title 19, sec. 1201, par.  
25          1798), is further amended to read as follows:

1       “PAR. 1798. (a) Professional books, implements, in-  
2   struments, and tools of trade, occupation, or employment,  
3   when imported by or for the account of any person arriving  
4   in the United States by whom or for whose account they  
5   were taken abroad.

6       “(b) In the case of any person arriving in the United  
7   States who is not a returning resident thereof—

8           “(1) wearing apparel, articles of personal adorn-  
9   ment, toilet articles, and similar personal effects; all the  
10   foregoing, if actually owned by and in the possession of  
11   such person abroad at the time of or prior to his de-  
12   parture for the United States, and if appropriate for his  
13   own personal use and intended only for such use and  
14   not for any other person nor for sale;

15          “(2) automobiles, trailers, aircraft, motorcycles,  
16   bicycles, baby carriages, boats, horse-drawn convey-  
17   ances, horses, and similar means of transportation, and  
18   the usual equipment accompanying the foregoing; any  
19   of the foregoing imported in connection with the ar-  
20   rival of such person and to be used in the United States  
21   only for the transportation of such person, his family  
22   and guests, and such incidental carriage of articles as  
23   may be appropriate to his personal use of the convey-  
24   ance; and

25          “(3) not exceeding \$200 in value of articles ac-

1        accompanying such a person who is in transit to a place  
2        outside United States customs territory and who will  
3        take the articles with him to such place.

4        “(c) In the case of any person arriving in the United  
5 States who is a returning resident thereof—

6            “(1) all personal and household effects taken abroad  
7        by him or for his account and brought back by him or  
8        for his account; and

9            “(2) articles (including not more than one wine  
10        gallon of alcoholic beverages and not more than one  
11        hundred cigars) acquired abroad as an incident of the  
12        journey from which he is returning, for his personal  
13        or household use, but not imported for the account of  
14        any other person nor intended for sale, if declared in  
15        accordance with regulations of the Secretary of the  
16        Treasury, up to but not exceeding in aggregate value—

17            “(A) \$200, if such person arrives from a con-  
18        tiguous country which maintains a free zone or free  
19        port (see subparagraph (d) ), or arrives from any  
20        other country after having remained beyond the  
21        territorial limits of the United States for a period  
22        of not less than forty-eight hours, and in either case  
23        has not claimed an exemption under this subdivision



(A) within the thirty days immediately preceding his arrival; and

“(B) \$300 in addition, if such person has remained beyond the territorial limits of the United States for a period of not less than twelve days and has not claimed an exemption under this subdivision

(B) within the six months immediately preceding his arrival.

“(d) In the case of persons arriving from a contiguous country which maintains a free zone or free port, if the Secretary of the Treasury deems it necessary in the public interest and to facilitate enforcement of the requirement that the exemption shall apply only to articles acquired as an incident of the foreign journey, he shall prescribe by regulation or instruction, the application of which may be restricted to one or more ports of entry, that the exemption authorized by subdivision (2) (A) of subparagraph (c) shall be allowed only to residents who have remained beyond the territorial limits of the United States for not less than a specified period, not to exceed twenty-four hours, and after the expiration of ninety days after the date of such regulation or instruction allowance of the said exemption shall be subject to the limitations so prescribed.

1       “(e) Any article imported to replace a like article of  
2 comparable value previously exempted from duty under sub-  
3 division (c) of this paragraph shall be allowed free entry  
4 if the article previously exempted shall have been exported,  
5 under such supervision as the Secretary may prescribe, within  
6 sixty days after its importation because it was found by the  
7 importer to be unsatisfactory.

8       “(f) All articles exempted by this paragraph from the  
9 payment of duty shall be exempt also from the payment of  
10 any internal-revenue tax imposed upon or by reason of  
11 importation.

12       “(g) If any jewelry or similar articles of personal  
13 adornment having a value of \$300 or more which have been  
14 exempted from duty under subdivision (1) of subparagraph  
15 (b) or any article which has been exempted from duty  
16 under subdivision (2) (B) of subparagraph (c) is sold  
17 within three years after the date of importation, or if any  
18 article which has been exempted from duty under subdivision  
19 (2) of subparagraph (b) is sold within one year after the  
20 date of importation, without prior payment to the United  
21 States of the duty which would have been payable at the  
22 time of entry if the article had been entered without the  
23 benefit of this paragraph, such article, or its value (to be

1 recovered from the importer), shall be subject to forfeiture.  
2 A sale pursuant to a judicial order or in liquidation of the  
3 estate of a decedent shall not be subject to the provisions  
4 of this subparagraph.

5 “(h) The Secretary of the Treasury shall prescribe  
6 methods and regulations for carrying out the provisions of  
7 this paragraph. No exemption provided for in this para-  
8 graph shall be applied to any article which is not declared  
9 in accordance with such regulations.”

10 FREE ENTRY FOR NONCOMMERCIAL EXHIBITIONS

11 SEC. 9. (a) Paragraph 1809 of the Tariff Act of 1930  
12 (U. S. C., 1946 edition, title 19, sec. 1201, par. 1809),  
13 is amended by inserting “within five years after the date  
14 of entry hereunder” after “used contrary to this provision”;  
15 by inserting “within such five-year period” after “at any  
16 time”; and by deleting “and the preceding”.

17 (b) The conditions of any bond in force on the effective  
18 date of this Act in respect of articles previously entered  
19 under the provisions of paragraph 1809 or the corresponding  
20 provisions of any Tariff Act prior to the Tariff Act of 1930  
21 shall be deemed to have been satisfied upon the effective date  
22 of this Act or upon the expiration of five years from the date



1 such articles were entered, whichever is later, except with  
2 respect to any violation which has occurred or which shall  
3 have occurred before such time.

4 TEMPORARY FREE ENTRY FOR SAMPLES AND OTHER  
5 ARTICLES UNDER BOND

6 SEC. 10. (a) (1) The part of section 308 of the Tariff  
7 Act of 1930, as amended (U. S. C., 1946 edition, title 19,  
8 sec. 1308), following the heading and preceding the num-  
9 bered items is amended to read as follows:

10 "The following articles, when not imported for sale  
11 or for sale on approval, may be admitted into the United  
12 States under such rules and regulations as the Secretary of  
13 the Treasury may prescribe, without the payment of duty,  
14 under bond for their exportation within one year from the date  
15 of importation, which period, in the discretion of the Secre-  
16 tary of the Treasury, may be extended, upon application, for  
17 one or more further periods which, when added to the initial  
18 one year, shall not exceed a total of three years:".

19 (2) The amendment made by paragraph (1) shall be  
20 effective with respect to articles imported before or after  
21 this section is enacted.

22 (b) Section 308 (3) of the Tariff Act of 1930  
23 (U. S. C., 1946 edition, title 19, sec. 1308 (3) ) is amended

1 by inserting immediately after the word "Samples" the fol-  
2 lowing: "(but not including photoengraved printing plates  
3 imported to be reproduced)".

4 (c) Section 308 (4) of the Tariff Act of 1930  
5 (U. S. C., 1946 edition, title 19, sec. 1308 (4) ) is amended  
6 to read as follows:

7 " (4) Articles intended solely for testing, experi-  
8 mental, or review purposes, including plans, specifica-  
9 tions, drawings, blueprints, photographs, and similar  
10 articles for use in connection with experiments or for  
11 study, and upon satisfactory proof that any such article  
12 has been destroyed because of its use for any such pur-  
13 pose the obligation under such bond to export such  
14 articles shall be treated as satisfied;"

15 (d) Section 308 (5) of the Tariff Act of 1930, as  
16 amended (U. S. C., 1946 edition, title 19, sec. 1308 (5) ),  
17 is further amended to read as follows:

18 " (5) Automobiles, motorcycles, bicycles, airplanes,  
19 airships, balloons, boats, racing shells, and similar vehi-  
20 cles and craft, and the usual equipment of the foregoing;  
21 all the foregoing which are brought temporarily into the  
22 United States by nonresidents for the purpose of taking  
23 part in races or other specific contests;"

1       (e) Section 308 (7) of the Tariff Act of 1930  
2       (U. S. C., 1946 edition, title 19, sec. 1308 (7) ), is amended  
3       to read as follows:

4       “(7) Containers for compressed gases, filled or  
5       empty, and containers or other articles in use for cover-  
6       ing or holding merchandise (including personal or house-  
7       hold effects) during transportation and suitable for reuse  
8       for that purpose;” .

9       (f) Section 308 of the Tariff Act of 1930, as amended  
10      (U. S. C., 1946 edition, title 19, sec. 1308), is further  
11      amended by changing the period at the end thereof to a semi-  
12      colon and adding the following new subdivisions:

13      “(10) Animals and poultry brought into the United  
14      States for the purpose of breeding, exhibition, or com-  
15      petition for prizes, and the usual equipment therefor;

16      “(11) Theatrical scenery, properties, and apparel  
17      brought into the United States by proprietors or man-  
18      agers of theatrical exhibitions arriving from abroad for  
19      temporary use by them in such exhibitions; and

20      “(12) Works of art, drawings, engravings, photo-  
21      graphic pictures, and philosophical and scientific ap-  
22      paratus brought into the United States by professional  
23      artists, lecturers, or scientists arriving from abroad for  
24      use by them for exhibition and in illustration, promo-



tion, and encouragement of art, science, or industry in the United States.”

(g) Paragraph 1607 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1201, par. 1607), is amended to read as follows:

“PAR. 1607. (a) Teams of animals, including their harness and tackle, and the wagons or other vehicles actually owned by persons emigrating from foreign countries to the United States with their families, and in actual use for the purpose of such emigration, under such regulations as the Secretary of the Treasury may prescribe.

“(b) Wild animals and birds intended for exhibition in zoological collections for scientific or educational purposes, and not for sale or profit.”

(h) Paragraph 1747 of the Tariff Act of 1930 (U. S. C. 1946 edition, title 19, sec. 1201, par. 1747), is amended by changing the second semicolon to a period and deleting the remainder of the paragraph.

(i) Paragraph 1808 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1201, par. 1808), is repealed.

#### SUPPLIES AND EQUIPMENT FOR VESSELS AND AIRCRAFT

SEC. 11. (a) Subsections (a) and (b) of section 309 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1309 (a) and (b)), relating to articles for

1 certain vessels and aircraft, are further amended to read as  
2 follows:

3 “(a) EXEMPTION FROM DUTIES AND TAXES.—Articles  
4 of foreign or domestic origin may be withdrawn, under such  
5 regulations as the Secretary of the Treasury may prescribe,  
6 from any customs bonded warehouse, from continuous cus-  
7 toms custody elsewhere than in a bonded warehouse, or  
8 from a foreign-trade zone free of duty and internal-revenue  
9 tax, or from any internal-revenue bonded warehouse, from  
10 any brewery, or from any winery premises or bonded  
11 premises for the storage of wine, free of internal-revenue  
12 tax—

13 “(1) for supplies (not including equipment) of  
14 (A) vessels or aircraft operated by the United  
15 States, (B) vessels of the United States employed in  
16 the fisheries or in the whaling business, or actually  
17 engaged in foreign trade or trade between the Atlantic  
18 and Pacific ports of the United States or between the  
19 United States and any of its possessions, or (C) aircraft  
20 registered in the United States and actually engaged in  
21 foreign trade or trade between the United States and  
22 any of its possessions; or

23 “(2) for supplies (including equipment) or repair  
24 of (A) vessels of war of any foreign nation, or (B)

foreign vessels employed in the fisheries or in the whaling business, or actually engaged in foreign trade or trade between the United States and any of its possessions, where such trade by foreign vessels is permitted; or

“(3) for supplies (including equipment), ground equipment, maintenance, or repair of aircraft registered in any foreign country and actually engaged in foreign trade or trade between the United States and any of its possessions, where trade by foreign aircraft is permitted.

With respect to articles for ground equipment, the exemption hereunder shall apply only to duties and to taxes imposed upon or by reason of importation.

“(b) DRAWBACK.—Articles withdrawn from bonded warehouses, bonded manufacturing warehouses, continuous customs custody elsewhere than in a bonded warehouse, or from a foreign-trade zone, and articles of domestic manufacture or production, laden as supplies upon any such vessel or aircraft of the United States or laden as supplies (including equipment) upon, or used in the maintenance or repair of, any such foreign vessel or aircraft, shall be considered to be exported within the meaning of the drawback provisions of this Act.”

(b) Section 317 (b) of the Tariff Act of 1930, as



1 amended (U. S. C., 1946 edition, title 19, sec. 1317 (b) ),  
2 is amended to read as follows:

3 “(b) The shipment or delivery of any merchandise for  
4 use as supplies (including equipment) upon, or in the main-  
5 tenance or repair of any vessel or aircraft described in sub-  
6 division (2) or (3) of section 309 (a) of this Act, or for  
7 use as ground equipment for any such aircraft, shall be  
8 deemed an exportation within the meaning of the customs  
9 and internal-revenue laws applicable to the exportation of  
10 such merchandise without the payment of duty or internal-  
11 revenue tax. With respect to merchandise for use as ground  
12 equipment, such shipment or delivery shall not be deemed  
13 an exportation within the meaning of the internal-revenue  
14 laws relating to taxes other than those imposed upon or by  
15 reason of importation.”

16 (c) Section 3115 of the Revised Statutes, as amended  
17 (U. S. C., 1946 edition, title 19, sec. 258), is further  
18 amended by—

19 (1) striking out the comma at the end of para-  
20 graph (2) and inserting in lieu thereof “; or” and  
21 inserting after paragraph (2) the following new  
22 paragraph:

23 “(3) that such equipments, or parts thereof, or  
24 materials, or labor, were used as dunnage for cargo,  
25 or for the packing or shoring thereof, or in the erection

of bulkheads or other similar devices for the control of bulk cargo, or in the preparation of tanks for the carriage of liquid cargo;"; and

(2) striking out "such equipments" the last place it appears in such section and inserting in lieu thereof "such equipments or parts thereof or materials".

#### DRAWBACK

SEC. 12. (a) Section 313 (b) of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1313 (b) ), is further amended by deleting "one year" and substituting therefor "three years".

(b) Section 313 (c) of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1313 (c) ), is amended by inserting "or shipped without the consent of the consignee" after "sample or specifications"; by deleting "thirty days" and substituting therefor "ninety days"; and by inserting "unless the Secretary authorizes in writing a longer time," following "after release from customs custody,".

(c) Section 313 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1313), is further amended by revising subsections (h) and (i) thereof to read as follows:

"(h) TIME LIMITATION ON EXPORTATION.—No drawback shall be allowed under the provisions of this section

1 unless the completed article is exported within five years  
2 after importation of the imported merchandise.

3 “(i) REGULATIONS.—Allowance of the privileges pro-  
4 vided for in this section shall be subject to compliance with  
5 such rules and regulations as the Secretary of the Treasury  
6 shall prescribe, which may include, but need not be limited  
7 to, the fixing of a time limit within which drawback entries  
8 or entries for refund under any of the provisions of this  
9 section or section 309 (b) of this Act shall be filed and  
10 completed, and the designation of the person to whom any  
11 refund or payment of drawback shall be made.”

#### 12 ADMINISTRATIVE EXEMPTION

13 SEC. 13. Section 321 of the Tariff Act of 1930, as  
14 amended (U. S. C., 1946 edition, title 19, sec. 1321), is  
15 amended to read as follows:

#### 16 “SEC. 321. ADMINISTRATIVE EXEMPTIONS.

17 “(a) The Secretary of the Treasury, in order to avoid  
18 expense and inconvenience to the Government dispropor-  
19 tionate to the amount of revenue that would otherwise be  
20 collected, is hereby authorized, under such regulations as  
21 he shall prescribe, to—

22 “(1) disregard a difference of less than \$3 between  
23 the total estimated duties or taxes deposited, or the total  
24 duties or taxes tentatively assessed, with respect to any



1 entry of merchandise and the total amount of duties or  
2 taxes actually accruing thereon; and

3 “(2) admit articles free of duty and of any tax  
4 imposed on or by reason of importation, but the aggre-  
5 gate value of articles imported by one person on one day  
6 and exempted from the payment of duty shall not  
7 exceed—

8 “(A) \$10 in the case of articles sent as bona  
9 fide gifts from persons in foreign countries to per-  
10 sons in the United States, or

11 “(B) \$10 in the case of articles accompanying,  
12 and for the personal or household use of, persons  
13 arriving in the United States who are not entitled  
14 to any exemption from duty or tax under paragraph  
15 1798 (c) (2) of this Act, or

16 “(C) \$1 in any other case.

17 The privilege of this subdivision (2) shall not be granted  
18 in any case in which merchandise covered by a single  
19 order or contract is forwarded in separate lots to secure  
20 the benefit of this subdivision (2).

21 “(b) The Secretary of the Treasury is authorized by  
22 regulations to diminish any dollar amount specified in sub-  
23 section (a) and to prescribe exceptions to any exemption  
24 provided for in such subsection whenever he finds that such

1 action is consistent with the purpose of such subsection or is  
2 necessary for any reason to protect the revenue or to prevent  
3 unlawful importations.”

4 INTERNATIONAL TRAFFIC AND RESCUE WORK

5 SEC. 14. The Tariff Act of 1930, as amended, is further  
6 amended by adding immediately following section 321  
7 (U. S. C., 1946 edition, title 19, sec. 1321) a new section  
8 reading as follows:

9 “SEC. 322. INTERNATIONAL TRAFFIC AND RESCUE WORK.

10 “(a) Vehicles and other instruments of international  
11 traffic, of any class specified by the Secretary of the Treasury,  
12 shall be granted the customary exceptions from the applica-  
13 tion of the customs laws to such extent and subject to such  
14 terms and conditions as may be prescribed in regulations or  
15 instructions of the Secretary of the Treasury.

16 “(b) The Secretary of the Treasury may provide by  
17 regulation or instruction for the admission, without entry and  
18 without the payment of any duty or tax imposed upon or  
19 by reason of importation, of—

20 “(1) aircraft, equipment, supplies, and spare parts  
21 for use in searches, rescues, investigations, repairs, and  
22 salvage in connection with accidental damage to aircraft:

23 “(2) fire-fighting and rescue and relief equipment  
24 and supplies for emergent temporary use in connection  
25 with conflagrations; and

1 “(3) rescue and relief equipment and supplies for  
2 emergent temporary use in connection with floods and  
3 other disasters.

4 Any articles admitted under the authority of this subsection  
5 and used otherwise than for a purpose herein expressed, or  
6 not exported in such time and manner as may be prescribed  
7 in the regulations or instructions herein authorized, shall be  
8 forfeited to the United States.”

9 **VALUE**

10 SEC. 15. (a) Section 402 of the Tariff Act of 1930,  
11 as amended (U. S. C., 1946 edition, title 19, sec. 1402),  
12 is further amended to read as follows:

13 **“SEC. 402. VALUE.**

14 “(a) BASIS.—Except as otherwise specifically provided  
15 for, the value of imported merchandise for the purposes of  
16 this Act shall be—

17 “(1) the export value;

18 “(2) if the export value cannot be determined sat-  
19 isfactorily, then the United States value;

20 “(3) if neither the export value nor the United  
21 States value can be determined satisfactorily, then the  
22 comparative value; or

23 “(4) if neither the export value, the United States  
24 value, nor the comparative value can be determined sat-  
25 isfactorily, then the constructed value; but



1           “(5) in the case of an article with respect to which  
2       there is in effect under section 336 a rate of duty based  
3       upon the American selling price of a domestic article,  
4       the value shall be the American selling price of such  
5       domestic article.

6       “(b) EXPORT VALUE.—The export value of imported  
7       merchandise shall be the market value or the price, at the  
8       time of exportation to the United States of the merchandise  
9       undergoing appraisement, at which such or similar mer-  
10      chandise is freely sold or, in the absence of sales, offered for  
11      sale in the principal markets of the country of exportation, in  
12      the usual wholesale quantities and in the ordinary course of  
13      trade, for exportation to the United States, plus, when not  
14      included in such price, the cost of all containers and cover-  
15      ings of whatever nature and all other expenses incidental to  
16      placing the merchandise in condition, packed ready for  
17      shipment to the United States.

18       “(c) UNITED STATES VALUE.—The United States  
19      value of imported merchandise shall be the price, at the time  
20      of exportation to the United States of the merchandise under-  
21      going appraisement, at which such or similar imported  
22      merchandise is freely sold or, in the absence of sales, offered  
23      for sale in the principal market of the United States for  
24      domestic consumption, packed ready for delivery, in the usual

1 wholesale quantities and in the ordinary course of trade, with  
2 allowances made for—

3 “(1) any commission usually paid or agreed to be  
4 paid on merchandise secured otherwise than by purchase  
5 or agreement to purchase; or, on merchandise secured  
6 by purchase or agreement to purchase, the addition for  
7 profit and general expenses usually made by sellers in  
8 such market on imported merchandise of the same class  
9 or kind as the merchandise undergoing appraisement;

10 “(2) the usual costs of transportation and insur-  
11 ance and other usual expenses from the place of ship-  
12 ment to the place of delivery, not including any expense  
13 provided for in subdivision (1) ; and

14 “(3) the ordinary customs duties and other Federal  
15 taxes currently payable on such or similar merchan-  
16 dise by reason of its importation or Federal excise  
17 taxes on, or measured by the value of, such or similar  
18 merchandise, for which vendors at wholesale in the  
19 United States are ordinarily liable.

20 “If such or similar merchandise was not so sold or  
21 offered at the time of exportation of the merchandise under-  
22 going appraisement, the United States value shall be de-  
23 termined, subject to the foregoing specifications of this  
24 subsection, from the price at which such or similar mer-

1   chandise is so sold or offered at the earliest date after  
2   such time of exportation but before the expiration of ninety  
3   days after the importation of the merchandise undergoing  
4   appraisement.

5       “(d) COMPARATIVE VALUE.—The comparative value  
6   of imported merchandise shall be the equivalent of the export  
7   value as nearly as such equivalent may be determined  
8   by the appraiser on the basis of the export or United States  
9   value of other merchandise exported from the same country at  
10  the time the merchandise undergoing appraisement was ex-  
11  ported which is comparable in construction and use with the  
12  merchandise undergoing appraisement, with appropriate ad-  
13  justments for differences in size, material, construction.  
14  texture, or other differences.

15       “(e) CONSTRUCTED VALUE.—The constructed value of  
16  imported merchandise shall be the sum of—

17           “(1) the cost of materials and of fabrication or other  
18       processing of any kind employed in producing such or  
19       similar merchandise, at a time preceding the date of  
20       exportation of the merchandise undergoing appraisement  
21       which would ordinarily permit the production of that  
22       particular merchandise in the ordinary course of business;

23           “(2) an addition for general expenses and profit  
24       equal to that which producers in the country of produc-  
25       tion whose products are exported to the United States



usually add in sales for exportation to the United States, in the usual wholesale quantities and in the ordinary course of trade, of merchandise of the same general class or kind as the merchandise undergoing appraisement; and

“(3) the cost of all containers and coverings of whatever nature, and all other expenses incidental to placing the merchandise undergoing appraisement in condition, packed ready for shipment to the United States.

“(f) AMERICAN SELLING PRICE.—The American selling price of any article manufactured or produced in the United States shall be the price, including the cost of all containers and coverings of whatever nature and all other expenses incident to placing the merchandise in condition packed ready for delivery, at which such article is freely sold or, in the absence of sales, offered for sale for domestic consumption in the principal market of the United States, in the ordinary course of trade and in the usual wholesale quantities, or the price that the manufacturer, producer, or owner would have received or was willing to receive for such merchandise when sold for domestic consumption in the ordinary course of trade and in the usual wholesale quantities, at the time of exportation of the imported article.

“(g) TAXES.—The value of imported merchandise

1 determined in accordance with this section shall not  
2 include the amount of any internal tax, applicable within  
3 the country of origin or exportation, from which the mer-  
4 chandise undergoing appraisement has been exempted or has  
5 been or will be relieved by means of refund.

6 “(h) DEFINITIONS.—As used in this section, the fol-  
7 lowing terms shall have the meanings respectively indicated:

8 “(1) ‘Freely sold or, in the absence of sales, offered  
9 for sale’—sold or, in the absence of sales, offered to  
10 all purchasers at wholesale, or to one or more se-  
11 lected purchasers at wholesale at a price not less than  
12 that at which it would be sold to all purchasers at whole-  
13 sale, without restrictions as to the disposition or use of  
14 the merchandise by the purchaser, except restrictions as  
15 to such disposition or use which (A) are imposed or  
16 required by law, or (B) limit the price at which or the  
17 territory in which the merchandise may be resold, or  
18 (C) do not substantially affect the value of the mer-  
19 chandise to usual purchasers at wholesale.

20 “(2) ‘Ordinary course of trade’—the conditions and  
21 practices which, for a reasonable time prior to the ex-  
22 portation of the merchandise undergoing appraisement,  
23 have been normal in the trade under consideration with  
24 respect to merchandise of the same class or kind as the  
25 merchandise undergoing appraisement.

“(3) ‘Purchasers at wholesale’—purchasers who buy in the usual wholesale quantities for industrial use or for resale otherwise than at retail; or, if there are no such purchasers, then all other purchasers for resale who buy in the usual wholesale quantities; or, if there are no purchasers in either of the foregoing categories, then all other purchasers who buy in the usual wholesale quantities.

“(4) ‘Such or similar merchandise’—the merchandise undergoing appraisalment shall be considered ‘such’ merchandise; and other merchandise shall be considered ‘such’ merchandise if—

“(A) it is identical in physical characteristics and was produced in the same country by the same person; or

“(B) when no value meeting the requirements of the definition of value under consideration can be determined under (A), the merchandise is identical in physical characteristics and was produced by another person in the same country.

Merchandise shall be considered ‘similar’ to the merchandise undergoing appraisalment if it is not within the foregoing definition of ‘such’ merchandise but—

“(C) it was produced in the same country as the merchandise undergoing appraisalment, by the



1 same person, of like materials, is used for the same  
2 purpose, and is of approximately equal commercial  
3 value; or

4 “(D) when no value meeting the requirements  
5 of the definition of value under consideration can be  
6 determined under (C), the merchandise is cor-  
7 respondingly similar and was produced by another  
8 person in the same country.

9 “(5) ‘Usual wholesale quantities’—the quantities  
10 usually sold in the class of transactions in which the  
11 greater aggregate quantity of the ‘such or similar mer-  
12 chandise’, in respect of which value is being determined,  
13 is sold in the market under consideration.”

14 (b) Paragraph 27 (c) of the Tariff Act of 1930  
15 (U. S. C., 1946 edition, title 19, sec. 1001, par. 27 (c)),  
16 is amended by changing “subdivision (g)” to “subdivision  
17 (f)” and by changing “subdivision (e)” to “subdivision  
18 (c)”.

19 (c) Paragraph 28 (c) of the Tariff Act of 1930  
20 (U. S. C., 1946 edition, title 19, sec. 1001, par. 28 (c)),  
21 is amended by changing “subdivision (g)” to “subdivision  
22 (f)” and by changing “subdivision (e)” to “subdivision  
23 (c)”.

24 (d) Section 336 (b) of the Tariff Act of 1930

1 (U. S. C., 1946 edition, title 19, sec. 1336 (b) ), is amended  
2 by changing "section 402 (g)" to "section 402 (f)".

3           SIGNING AND DELIVERY OF MANIFESTS

4       SEC. 16. Section 431 of the Tariff Act of 1930 (U. S. C.,  
5 1946 edition, title 19, sec. 1431), is amended by designat-  
6 ing the matter now therein as subsection (a) and by add-  
7 ing a new subsection to read as follows:

8       “(b) Whenever a manifest of articles or persons on  
9 board an aircraft is required for customs purposes to be  
10 signed, or produced or delivered to a customs officer, the  
11 manifest may be signed, produced, or delivered by the pilot  
12 or person in charge of the aircraft, or by any other author-  
13 ized agent of the owner or operator of the aircraft, subject  
14 to such regulations as the Secretary of the Treasury may  
15 prescribe. If any irregularity of omission or commission  
16 occurs in any way in respect of any such manifest, the  
17 owner or operator of the aircraft shall be liable for any fine  
18 or penalty prescribed by law in respect of such irregularity.”

19       CERTIFIED INVOICES AND ENTRY OF MERCHANDISE

20       SEC. 17. (a) Section 482 (a) of the Tariff Act of  
21 1930 (U. S. C., 1946 edition, title 19, sec. 1482 (a) ), is  
22 amended by substituting "required pursuant to section 484  
23 (b) of this Act to be certified" for "covering merchandise  
24 exceeding \$100 in value" in the first clause.

1           (b) Section 484 (a) of the Tariff Act of 1930 (U. S. C.,  
2 1946 edition, title 19, sec. 1484 (a) ), is amended by  
3 deleting “forty-eight hours” and substituting therefor “five  
4 days”.

5           (c) Section 484 (b) of the Tariff Act of 1930 (U. S. C.,  
6 1946 edition, title 19, sec. 1484 (b) ), is amended to read  
7 as follows:

8           “(b) PRODUCTION OF CERTIFIED INVOICE.—The  
9 Secretary of the Treasury shall provide by regula-  
10 tion for the production of a certified invoice with  
11 respect to such merchandise as he deems advisable and for  
12 the terms and conditions under which such merchandise may  
13 be permitted entry under the provisions of this section  
14 without the production of a certified invoice.”

15           (d) Section 498 (a) (1) of the Tariff Act of 1930  
16 (U. S. C., 1946 edition, title 19, sec. 1498 (a) (1) ) is  
17 amended to read as follows:

18           “(1) Merchandise, imported in the mails or other-  
19 wise, when the aggregate value of the shipment does not  
20 exceed such amount, not greater than \$250, as the Sec-  
21 retary of the Treasury shall specify in the regulations,  
22 and the specified amount may vary for different classes  
23 or kinds of merchandise or different classes of trans-  
24 actions;”.

25           (e) Section 498 (a) of the Tariff Act of 1930



1 (U. S. C., 1946 edition, title 19, sec. 1498 (a) ) is further  
2 amended by deleting subdivision (11) and substituting there-  
3 for a new subdivision to read as follows:

4 “(11) Merchandise within the provisions of para-  
5 graph 1631 of this Act.”

6 (f) The Act of June 8, 1896 (U. S. C., 1946 edition,  
7 title 19, secs. 472–475) , is hereby repealed.

8 VERIFICATION OF DOCUMENTS

9 SEC. 18. Section 486 of the Tariff Act of 1930 (U. S. C.,  
10 1946 edition, title 19, sec. 1486) , is amended by changing  
11 the heading to read

12 “SEC. 486. ADMINISTRATION OF OATHS—VERIFICATION  
13 OF DOCUMENTS.”

14 and by adding at the end thereof the following new sub-  
15 section:

16 “(d) VERIFICATION IN LIEU OF OATH.—The Secre-  
17 tary of the Treasury may by regulation prescribe that any  
18 document required by any law administered by the Customs  
19 Service to be under oath may be verified by a written dec-  
20 laration in such form as he shall prescribe, such declaration  
21 to be in lieu of the oath otherwise required.”

22 AMENDMENT OF ENTRIES

23 SEC. 19. (a) Section 487 of the Tariff Act of 1930  
24 (U. S. C., 1946 edition, title 19, sec. 1487) is amended by  
25 deleting therefrom “or at any time before the invoice or

1 the merchandise has come under the observation of the  
2 appraiser for the purpose of appraisal,”.

3 (b) Section 489 of the Tariff Act of 1930 (U. S. C.,  
4 1946 edition, title 19, sec. 1489) is amended by deleting the  
5 first two paragraphs.

6 (c) Section 501 of the Tariff Act of 1930, as amended  
7 (U. S. C., 1946 edition, title 19, sec. 1501), is further  
8 amended by changing the period at the end of the first sen-  
9 tence to a comma and by inserting thereafter “or (3) in  
10 any case, if the consignee, his agent, or his attorney requests  
11 such notice in writing before appraisal, setting forth a  
12 substantial reason for requesting the notice.”, by inserting  
13 in the second sentence after “appraiser” the clause “, in-  
14 cluding all determinations entering into the same,”, and  
15 by deleting the third sentence of the section.

16 (d) Section 503 of the Tariff Act of 1930 (U. S. C.,  
17 1946 edition, title 19, sec. 1503), is amended by deleting  
18 subsection (b), by redesignating subsection (c) as sub-  
19 section (b), and by amending subsection (a) to read as  
20 follows:

21 “(a) GENERAL RULE.—Except as provided in section  
22 562 of this Act (relating to withdrawal from manipulating  
23 warehouses), the basis for the assessment of duties on im-  
24 ported merchandise subject to ad valorem rates of duty shall  
25 be the final appraised value.”

1       (e) The Act of July 12, 1932 (ch. 473, 47 Stat. 657;  
2 U. S. C., 1946 edition, title 19, sec. 1503a) , is repealed.

3       (f) Section 562 of the Tariff Act of 1930, as amended  
4 (U. S. C., 1946 edition, title 19, sec. 1562) , is further  
5 amended by changing the third sentence to read as follows:  
6 “The basis for the assessment of duties on such merchandise  
7 so withdrawn for consumption shall be the adjusted final  
8 appraised value, and if the rate of duty is based upon or  
9 regulated in any manner by the value of the merchandise,  
10 such rate shall be based upon or regulated by such adjusted  
11 final appraised value.”

12                               COMMINGLED MERCHANDISE

13       SEC. 20. Section 508 of the Tariff Act of 1930 (U. S. C.,  
14 1946 edition, title 19, sec. 1508) is amended to read as  
15 follows:

16       “SEC. 508. COMMINGLING OF GOODS.

17       “(a) Whenever dutiable merchandise and merchandise  
18 which is free of duty or merchandise subject to different rates  
19 of duty are so packed together or mingled that the quantity  
20 or value of each class of such merchandise cannot be readily  
21 ascertained by the customs officers (without physical segre-  
22 gation of the shipment or the contents of any entire package  
23 thereof) , by one or more of the following means: (1)  
24 Examination of a representative sample, (2) occasional  
25 verification of packing lists or other documents filed at the



1 time of entry, or (3) evidence showing performance of  
2 commercial settlement tests generally accepted in the trade  
3 and filed in such time and manner as may be prescribed by  
4 regulations of the Secretary of the Treasury, and if the  
5 consignee or his agent shall not segregate the merchandise  
6 pursuant to subsection (b), then the whole of such mer-  
7 chandise shall be subject to the highest rate of duty applicable  
8 to any part thereof.

9       “(b) Every segregation of merchandise made pursuant  
10 to this section shall be accomplished by the consignee or his  
11 agent at the risk and expense of the consignee within thirty  
12 days after the date of personal delivery or mailing, by such  
13 employee as the Secretary of the Treasury shall designate,  
14 of written notice to the consignee that the merchandise  
15 is commingled, unless the Secretary authorizes in writing  
16 a longer time. Every such segregation shall be accomplished  
17 under customs supervision, and the compensation and ex-  
18 penses of the supervising customs officers shall be reimbursed  
19 to the Government by the consignee under such regulations  
20 as the Secretary of the Treasury may prescribe.

21       “(c) The foregoing provisions of this section shall not  
22 apply with respect to any part of a shipment if the consignee  
23 or his agent shall furnish, in such time and manner  
24 as may be prescribed by regulations of the Secretary  
25 of the Treasury, satisfactory proof (1) that such part (A)

1 is commercially negligible, (B) is not capable of segrega-  
2 tion without excessive cost, and (C) will not be segregated  
3 prior to its use in a manufacturing process or otherwise, and  
4 (2) that the commingling was not intended to avoid the  
5 payment of lawful duties or any part thereof. Any mer-  
6 chandise with respect to which such proof is furnished shall  
7 be considered for all customs purposes as a part of the mer-  
8 chandise, subject to the next lower rate of duty (including  
9 a free rate), with which it is commingled.

10 “(d) The foregoing provisions of this section shall not  
11 apply with respect to any shipment if the consignee or his  
12 agent shall furnish, in such time and manner as may be pre-  
13 scribed by regulations of the Secretary of the Treasury, satis-  
14 factory proof (1) that the value of the commingled merchan-  
15 dise is less than the aggregate value would be if the shipment  
16 were segregated; (2) that the shipment is not capable of seg-  
17 regation without excessive cost and will not be segregated  
18 prior to its use in a manufacturing process or otherwise; and  
19 (3) that the commingling was not intended to avoid the  
20 payment of lawful duties or any part thereof. Any merchan-  
21 dise with respect to which such proof is furnished shall be  
22 considered for all customs purposes to be dutiable at the  
23 rate (including a free rate) applicable to the material  
24 present in greater quantity than any other material.”

## 1                   CORRECTION OF ERRORS AND MISTAKES

2           SEC. 21. Subdivisions (1) and (2) of section 520 (c)  
3 of the Tariff Act of 1930, as amended (U. S. C., 1946 edi-  
4 tion, title 19, sec. 1520 (c) ), are further amended to read  
5 as follows:

6           “(1) a clerical error, mistake of fact, or other in-  
7 advertence not amounting to an error in the construction  
8 of a law, adverse to the importer and manifest from  
9 the record or established by documentary evidence, in  
10 any entry, liquidation, appraisement, or other customs  
11 transaction, when the error, mistake, or inadvertence  
12 is brought to the attention of the customs service within  
13 one year after the date of entry, appraisement, or trans-  
14 action, or within sixty days after liquidation or exaction  
15 when the liquidation or exaction is made more than ten  
16 months after the date of the entry, appraisement, or  
17 transaction; or

18           “(2) any assessment of duty on household or  
19 personal effects in respect of which an application for  
20 refund has been filed, with such employee as the Secre-  
21 tary of the Treasury shall designate, within one year  
22 after the date of entry.”

## 23                   CONVERSION OF CURRENCY

24           SEC. 22. (a) Section 25 of the Act of August 27, 1894.  
25 as amended and reenacted (U. S. C., 1946 edition, title 31,



1 sec. 372 (a) ), is repealed, and section 522 of the Tariff  
2 Act of 1930 (U. S. C., 1946 edition, title 31, sec. 372) is  
3 amended to read as follows:

4 **"SEC. 522. CONVERSION OF CURRENCY.**

5       “(a) The Secretary of the Treasury shall keep current  
6 a published list, expressed in United States dollars, of the  
7 par values which he finds are maintained by foreign coun-  
8 tries for their respective currencies. For the purposes of all  
9 provisions of the customs laws, whenever it is necessary  
10 to convert into an amount expressed in currency of the  
11 United States any amount expressed in a foreign currency  
12 for which such a par value was maintained for the date as  
13 of which the value or cost requiring conversion is to be  
14 determined, such conversion, except as specified in subsection  
15 (d), shall be made at such par value.

16       “(b) If no such par value was so maintained for such  
17 date, the conversion shall be made at the buying rate for  
18 the foreign currency in the New York market at noon on  
19 the date as of which the value or cost requiring conversion  
20 is to be determined, or, if banks are generally closed on such  
21 date in New York City, then the buying rate at noon on  
22 the last preceding business day. For the purposes of this  
23 subsection, such buying rate shall be the buying rate for cable  
24 transfers payable in the foreign currency in which the amount  
25 to be converted is expressed, and shall be determined by the

1 Federal Reserve Bank of New York and certified to the  
2 Secretary of the Treasury, who shall make it public at such  
3 times and to such extent as he shall deem necessary. In  
4 ascertaining such buying rate, such Federal Reserve bank  
5 may in its discretion (1) take into consideration the last  
6 ascertainable transactions and quotations, whether direct or  
7 through exchange of other currencies, and (2) if there is  
8 no market buying rate for such cable transfers, calculate such  
9 rate from actual transactions and quotations in demand or  
10 time bills of exchange or from the last ascertainable trans-  
11 actions and quotations outside the United States in or for  
12 exchange payable in United States currency or other  
13 currency.

14 “(c) If, pursuant to subsection (b), the Federal Re-  
15 serve Bank of New York certifies more than one rate of  
16 exchange for a particular foreign currency for any date the  
17 conversion for customs purposes of amounts expressed in that  
18 currency for that date shall be made by applying the appli-  
19 cable rate or rates so certified which reflect effectively the  
20 value of that foreign currency in commercial transactions.

21 “(d) When there are one or more rates of exchange  
22 which vary by more than 5 per centum from the par value  
23 for any foreign currency listed pursuant to subsection (a),  
24 the list shall so indicate. In that event such additional rates  
25 of exchange may be certified in the manner set forth in

1 subsection (b) and the par value and any certified rates  
2 shall be applied in the manner prescribed in subsection (c).”

3 (b) Section 481 (a) of the Tariff Act of 1930 (U. S. C.,  
4 1946 edition, title 19, sec. 1481 (a)) is amended by  
5 deleting subparagraph (7) and by renumbering subpara-  
6 graphs (8), (9), and (10) as (7), (8), and (9).

7 (c) Section 481 (b) of the Tariff Act of 1930 (U. S. C.,  
8 1946 edition, title 19, sec. 1481 (b)) is amended by delet-  
9 ing “, stating whether gold, silver, or paper”.

10 TRANSFERS OF GOODS IN BONDED WAREHOUSE

11 SEC. 23. (a) Section 557 (b) of the Tariff Act of 1930,  
12 as amended (U. S. C., 1946 edition, title 19, sec. 1557 (b)),  
13 is further amended to read as follows:

14 “(b) The right to withdraw any merchandise entered  
15 in accordance with subsection (a) of this section for the  
16 purposes specified in such subsection may be transferred  
17 upon compliance with regulations prescribed by the Secre-  
18 tary of the Treasury and upon the filing by the transferee  
19 of a bond in such amount and containing such conditions as  
20 the Secretary of the Treasury shall prescribe. The bond  
21 shall include an obligation to pay, with respect to the mer-  
22 chandise the subject of the transfer, all unpaid regular,  
23 increased, and additional duties, all unpaid taxes imposed  
24 upon or by reason of importation, and all unpaid charges  
25 and exactions. Such transfers shall be irrevocable, shall



1 relieve the transferor from all customs liability with respect  
2 to obligations assumed by the transferee under the bond  
3 herein provided for, and shall confer upon the transferee  
4 all rights to the privileges provided for in this section and  
5 in sections 562 and 563 of this Act which were vested in the  
6 transferor prior to the transfer. The transferee shall also  
7 have the right to receive all lawful refunds of moneys paid  
8 by him to the United States with respect to the merchandise  
9 the subject of the transfer, but shall have no right to file  
10 any protest under section 514 of this Act except as to deci-  
11 sions with respect to his rights under subsection (c) of this  
12 section or under section 562 or 563 of this Act or against  
13 a decision as to the rate or amount of duty, tax, charge,  
14 or exaction when such rate or amount has been changed by  
15 statute or proclamation on or after the date of the transfer.  
16 The transferee shall have no right to file an appeal for re-  
17 appraisal under section 501 of this Act, except when  
18 subsequent to the transfer and before a withdrawal for con-  
19 sumption has been deposited for the merchandise, it has been  
20 changed in condition pursuant to the provisions of section  
21 562 or 311 of this Act in a manner which necessitates that  
22 it be appraised in its changed condition in order that the  
23 correct amount of duties may be assessed. No new or sepa-  
24 rate liquidation, reliquidation, or determination shall be made  
25 in the name of, or on behalf of, a transferee, except with

1 regard to any matter which may arise under subsection (c)  
2 of this section or section 562 or 563 of this Act when the  
3 transferee has invoked either of these sections, and in the  
4 case of a statutory or proclaimed change in the rate of duty,  
5 tax, charge, or exaction applicable to the merchandise the  
6 subject of the transfer and effective on or after the date of  
7 the transfer. A transferee may further transfer the right  
8 to withdraw merchandise, subject to the provisions of this  
9 subsection relating to original transfers.”

10 (b) Notwithstanding any other provision of this Act,  
11 the foregoing subsection (a) shall be effective with respect  
12 to merchandise entered after the date of the enactment of  
13 this Act and to merchandise which has been entered before  
14 that date and is the subject of a transfer within the purview  
15 of section 557 (b) of the Tariff Act, as amended by this  
16 Act, and made after the date of the enactment of this Act.

#### 17 CUSTOMS SUPERVISION

18 SEC. 24. The Tariff Act of 1930, as amended, is further  
19 amended by adding following section 645 (U. S. C., 1946  
20 edition, title 19, sec. 1645) a new section 646, reading as  
21 follows:

22 “SEC. 646. CUSTOMS SUPERVISION.

23 “Wherever in this Act any action or thing is required  
24 to be done or maintained under the supervision of customs  
25 officers, such supervision may be direct and continuous or by

1 occasional verification as may be required by regulations of  
2 the Secretary of the Treasury, or, in the absence of such  
3 regulations for a particular case, as the principal customs  
4 officer concerned shall direct.”

5 SAVING CLAUSE

6 SEC. 25. Except as may be otherwise provided for in  
7 this Act, the repeal of existing law or modifications thereof  
8 embraced in this Act shall not affect any act done, or any  
9 right accruing or accrued, or any suit or proceeding had or  
10 commenced in any civil or criminal case prior to such  
11 repeal or modification, but all liabilities under such laws  
12 shall continue, except as otherwise specifically provided in  
13 this Act, and may be enforced in the same manner as if  
14 such repeal or modification had not been made.

Passed the House of Representatives July 13, 1953.

Attest:

LYLE O. SNADER,

*Clerk.*





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## AN ACT

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To amend certain administrative provisions of the Tariff Act of 1930 and related laws, and for other purposes.

JULY 14 (legislative day, JULY 6), 1953

Read twice and referred to the Committee on Finance

has reasons for insisting that it can use the funds of any agency, they must have had something in their mind, for instance that they are going to create an agency or reach in there and get some money and to further usurp the powers that the Congress should have in this respect. I appreciate what the gentleman has said and I want to compliment the committee, especially our chairman, for the promptness in which he took hold of this thing and brought about this relief, but I still want to say I certainly am not pleased with the attitude of the Department in wanting to put this indefinite, broad language in there which would permit the use of that fund that this Congress does not contemplate would be used and which I feel sure the Congress would vote against being used even for this worthy purpose. I shall vote for the conference report, of course, but I cannot resist the opportunity to say that the Congress is making a mistake in adopting a precedent by including this broad language in the bill.

Mr. TRIMBLE. Mr. Speaker, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Arkansas.

Mr. TRIMBLE. I have received a communication from a constituent as to whether or not he comes under the provisions of this so that he may keep his own cattle and buy feed, and if he would be allowed to purchase his neighbor's disaster cattle under this loan?

Mr. HOPE. I do not believe it is contemplated that under this legislation loans will be made for a man to expand in the cattle business unless it were deemed by the local committee that this would enable him to carry on his existing operations in a more effective or efficient way. I can see that there might be some situation where a local committee which is administering the program might decide that was the case; but certainly it is not contemplated in general that this program will be used to finance someone who is going into the cattle business more extensively than he is at the present time.

Mr. TRIMBLE. I thank the gentleman.

Mr. ROGERS of Texas. Mr. Speaker, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Texas.

Mr. ROGERS of Texas. I do want to clarify one point in reference to subsection B that we were speaking about a moment ago. When this bill left the House there were two conditions precedent to a man's eligibility to participate in this fund. One was that he had lived in an area that had been declared a major disaster area under Public Law 875, 81st Congress. The other was that the Secretary found that he was suffering from an economic disaster also. Now am I correct in that understanding?

Mr. HOPE. Yes; that is correct.

Mr. ROGERS of Texas. Now then, the conference report places one more condition precedent, making it three, the third condition precedent being that he must be an established farmer or rancher in order to participate.

Mr. HOPE. I think that was implied originally. It is in there now in specific

language. Of course, it seems to me that it is hardly within the realm of reason to believe that a new farmer would go into a drought area and begin farming operations, if that is what the gentleman has in mind.

Mr. ROGERS of Texas. I agree with the gentleman on that; it is not what I have in mind. What I have in mind is simply this: That although there has not been much said about it on the floor this drought disaster is not only affecting the farmers and the ranchers, it is affecting the little business people all over that section of the country. Many of them are leaving those areas and are hunting for employment. Some of them cannot find employment, and many of them will have to turn to farming in order to feed their wives and children, and the thing I want to do is to see that those people, whether they be veterans or whether they be citizens, who have come from farms and work in filling stations, for instance, who will return to the farms, will not be discriminated against insofar as being able to maintain the economy of that section of the country is concerned. That is my interest.

Mr. HOPE. I would not want to say that a person in the situation described by the gentleman from Texas would be eligible for a loan under this provision. I think he might be eligible for a loan under the regular Farmers Home Administration program, but I do not think this legislation was designed to encourage nonfarmers to go into the farming business in a drought area. I would very much question any program which did have that in mind.

Mr. ROGERS of Texas. I certainly would not subscribe to a policy of trying to send people into a drought area, because they could not possibly survive, but it is the people who have been on the farms and gone to town and worked, the people who have been born on the farm, taken into service and returned; many of those boys will come back into the domestic economy of this country in the next year, and they have in the past two years, and those boys will have to have some place to turn, and I simply do not want to put a bulwark against them, because I think they are entitled to the same rights as others.

Mr. HOPE. I appreciate the gentleman's comments.

Mr. ROGERS of Texas. I thank the gentleman.

Mr. FISHER. Mr. Speaker, I asked the chairman, the gentleman from Kansas [Mr. HOPE], to yield to me for the purpose of expressing my gratitude for his promptness in preparing and pushing this much-needed legislation through the Congress. The bill was considered in committee only a week ago today, and it appears that it will be on the President's desk tomorrow. There are some provisions that are not entirely satisfactory, but in the main the measure is, in my opinion, a good one. It will give the Secretary of Agriculture authority to expand the loan program in the disaster area and will provide for sale of feed for livestock at prices in keeping with the emergency that exists. The gentleman from Kansas [Mr. HOPE] has been most zealous and cooperative in recognizing

the emergency and then advancing this legislation with the minimum of delay.

Mr. HOPE. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to, and a motion to reconsider was laid on the table.

## CUSTOMS SIMPLIFICATION ACT OF 1953

Mr. SCOTT. Mr. Speaker, I call up House Resolution 327 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5877) to amend certain administrative provisions of the Tariff Act of 1930 and related laws, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means. Amendments offered by direction of the Committee on Ways and Means may be offered to any section of the bill at the conclusion of the general debate, but said amendments shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

Mr. SCOTT. Mr. Speaker, I yield 30 minutes to the gentleman from Mississippi [Mr. COLMER] and yield myself 15 minutes.

Mr. Speaker, this bill is known as the customs simplification bill. I rise to urge the adoption by the House of House Resolution 327, making in order the consideration of the bill H. R. 5877, to amend certain administrative provisions of the Tariff Act of 1930 and related laws, and for other purposes.

This resolution provides for a closed rule, waiving points of order against the bill. Amendments may be offered at the direction of the Committee on Ways and Means, and 2 hours of general debate have been scheduled.

The bill H. R. 5877 proposes to modernize the existing customs laws by applying sound and well-tried business methods to the administration of these laws. In addition to simplifying the entire custom procedures—and this is a very technical bill—this bill is designed to reduce expenses to the Government and to the public, and to cut down on the delay and minor irritations that are now part of the normal customs experience of the average citizen.

The bill has had the benefit of the combined suggestions of the Department of the Treasury and the Bureau of the Budget, and is the result of extensive and



intensive hearings on the part of the Committee on Ways and Means. President Eisenhower in his state of the Union message mentioned that one of the aims of his administration was to simplify the customs regulations, and this bill does just that.

I do wish to correct one possible misapprehension which arises from the fact that the statement was unintentionally made during the hearings before the Rules Committee that there is nothing controversial in the bill. While that is quite true as to the bill in its present form under this resolution, several Members have asked that I call attention to the fact that there is a controversial committee amendment which will be offered in due course.

Mr. Speaker, I know of no one who opposes the rule itself. I hope the House will adopt House Resolution 327 so that the House Membership will have the opportunity to consider this bill on the merits.

As to the controversial measure, I understand that this particular measure refers to countervailing duties, where if there are in some other country two or more standards of currency and the rate of exchange on the market available for export goods in any such country is lower than the normal rate of exchange existing in that country, the Secretary of the Treasury is authorized to impose certain countervailing duties; and that then, in order to secure relief, any industry must prove that it has actually sustained injury.

While asking for the adoption of the rule, I reserve, as far as I am concerned, the right to oppose the committee amendment on that score.

Mr. BYRNES of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. SCOTT. I yield.

Mr. BYRNES of Wisconsin. I think it is unfortunate that both in the Ways and Means Committee and also in the appearances before the Rules Committee there was some misunderstanding as to the status of this amendment that will be offered as a committee amendment. We were told in the committee, for instance, that those who had originally been opposed to this amendment had withdrawn their opposition. Acting upon this assurance, the Ways and Means Committee adopted the amendment. I should add that it was not adopted in the committee by any unanimous vote, as I think the author of the amendment and its proponents in the committee will agree.

It also is my understanding that before the Rules Committee it was suggested that there was no opposition to this amendment. There is very strong opposition to this amendment.

#### CALL OF THE HOUSE

Mr. HOFFMAN of Michigan. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

#### [Roll No. 88]

Abbitt	Hardy	O'Brien, N. Y.
Addonizio	Harrison, Va.	Patten
Bailey	Hart	Patterson
Barden	Hays, Ohio	Philbin
Barrett	Hébert	Powell
Becker	Heller	Reed, Ill.
Bender	Hinshaw	Riehlman
Betts	Hollifield	Rivers
Bray	Howell	Robeson, Va.
Carrigg	Hruska	Rodino
Celler	James	Roosevelt
Chatham	Javits	Scherer
Chudoff	Kearney	Shafer
Cóoley	Kelly, N. Y.	Sheehan
Coudert	Kilday	Sieminski
Cretella	Klein	Sikes
Davis, Tenn.	Lane	Smith, Va.
Dingell	Lanham	Stauffer
Dodd	Latham	Taylor
Dollinger	McCarthy	Teague
Dolliver	McConnell	Tuck
Donohue	McVey	Velde
Donovan	Mack, Ill.	Wainwright
Durham	Miller, Calif.	Weichel
Evins	Miller, N. Y.	Westland
Fine	Morano	Wheeler
Fino	Morgan	Widnall
Fogarty	Moulder	Wigglesworth
Granahan	Multer	Wolcott
Green	Mumma	Young
Hand	Nelson	

The SPEAKER. On this rollcall 333 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

#### CUSTOMS SIMPLIFICATION ACT OF 1953

Mr. SCOTT. Mr. Speaker, when the point of no quorum was made, I had reached the point of indicating that I knew of no one who opposed the rule, and I hoped that the House would adopt House Resolution 327 so that the membership would have an opportunity to consider the bill on its merits, and I had just raised the point that I had been informed that there was one controversial committee amendment, on which there is considerable difference of opinion, having to do with certain countervailing duties, and I now yield to the gentlemen from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. Mr. Speaker, as I suggested previously, there was in the committee, and I think there was before the Committee on Rules, a misunderstanding with respect to one particular amendment that was offered in the Committee on Ways and Means by the gentleman from Pennsylvania [Mr. EBERHARTER]. The impression was left in the Committee on Ways and Means, and I believe also before the Committee on Rules, that there was no particular objection to this amendment. That is not a fact. There is considerable objection. This amendment is objected to, and quite vigorously, in some quarters. It relates to the matter of countervailing duties and the obligation of the Treasury Department to impose countervailing duties in those cases where a country grants a subsidy or a bounty or a grant of some kind in connection with the exportation of some item into this country. Under the present law it is mandatory under section 303 of the Tariff Act of 1930 that the Treasury Department shall impose a

countervailing duty which will offset the amount of the grant or subsidy given by this foreign country to the particular item that is being imported into this country. Under the amendment as proposed by the gentleman from Pennsylvania [Mr. EBERHARTER] the Treasury will not be required to impose a countervailing duty but shall impose a countervailing duty only when some industry complains and then proves that there is an injury as the result of the importation of this commodity on which a foreign subsidy has been paid.

There is no test as to what shall be considered injury, how material the injury shall have to be, or anything else, so that if we adopt this amendment it will be entirely discretionary with the Treasury Department as to whether a countervailing duty shall be imposed.

Let me make it clear that although the Treasury Department does favor the amendment that is to be offered by the gentleman from Pennsylvania, yet it is not, on the other hand, insisting upon it.

There is also a very serious question as to whether the amendment should be considered as part of a simplification bill. In my judgment it would be well for the House to turn down this amendment so that we can maintain the customs simplification bill as a simplification bill.

I have taken so much of the gentleman's time only because of the fact we will not have time for a general discussion of this amendment during the amendment stage of the bill, under the rule we have before us. It would be well for us to give consideration to this amendment at this time and also during general debate.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. SCOTT. I yield to the gentleman from Massachusetts.

Mrs. ROGERS of Massachusetts. I have received a great many telegrams and letters and telephone calls regarding this provision of the bill, and an increasing number are coming in, a great many protests. I do hope this provision will be eliminated from the bill. It is very dangerous, I think. Messages have come from boot and shoe industries and from labor in various industries. The following is one of the telegrams I have received from northern industries.

BOSTON, MASS., July 13, 1953.

HON. EDITH NOURSE ROGERS,  
House of Representatives,  
Washington, D. C.:

Understand H. R. 5877, Customs Simplification Act, will be voted today. Urge you vote against adoption of countervailing and reimport duty amendments sponsored by Eberhart and know which would be a serious blow to New England textile mills and employment in textile centers.

WILLIAM F. SULLIVAN,  
President, Northern Textile Association.

Mr. EBERHARTER. Mr. Speaker, will the gentleman yield?

Mr. SCOTT. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. I just want to advise the House membership that the Treasury Department recommends the inclusion of this provision in the bill, and I quote this language appearing on



the letterhead of the Treasury Department, Washington, D. C., signed by an Assistant Secretary of the Treasury:

For the present the Treasury Department believes that the one addition to H. R. 5106 which it would now recommend is an amendment to section 303 of the tariff act providing that countervailing duties should be imposed only where injury exists or is threatened to a domestic industry. The Department suggests consideration of the enclosed draft amendment to section 303 of the tariff act which would accomplish this purpose.

We have the positive recommendation of the Secretary of the Treasury. It is the exact language also, I may say, which the Treasury Department submitted in this instance. I may also say that this very provision was contained in the bill which passed this House in October 1951. There was no objection whatsoever to it at that time. I see no reason whatsoever for any objection to it at this time. No representations since we passed that measure in October 1951 have been made in objection to the provision's being contained in a law. May I add that the same provision is contained in the Anti-dumping Act. If the people in industry in this country want to operate under the theory of tariff, this is exactly what this amendment does.

Mr. SCOTT. I thank the gentleman.

Mr. PHILLIPS. Mr. Speaker, will the gentleman yield?

Mr. SCOTT. I yield to the gentleman from California.

Mr. PHILLIPS. In order to make this brief, may I associate myself with the gentleman from Wisconsin in his statements and say to the gentleman from Pennsylvania [Mr. EBERHARTER] that he is in error that this has always been non-controversial. There was objection to it in the past. We in agriculture have always felt that this could be damaging. The commodity groups asked for hearings on it before the committee that these points might be brought out. We have felt so not only in agriculture in regard to the basic commodities but with finished products. This could, in effect, and if I had the time I could develop this thought, completely destroy the textile industry. In other words, it is a serious enough matter to make me feel, as the gentleman from Wisconsin does, that we should not adopt it as we are proposing to do today with the thought that it is non-controversial because it is highly controversial and could be destructive.

Mr. SCOTT. In further reference to what the gentleman has said, there is no objection to the rule or to the bill as it is before us now so far as any of us have heard, but there is objection on the part of some Members to the committee amendment.

I yield to the gentleman from California [Mr. SCUDDER].

Mr. SCUDDER. As far as the rule is concerned, I believe there should be some objection to it because the only source of amendment would be from the committee itself. According to the information we have, the committee has an amendment which would be very detrimental to American industry. A

few years ago, it was reported that one of the Mediterranean countries shipped enough subsidized nuts into this country to wreck the nut industry throughout the entire United States. If we are going to permit them to subsidize crops with ECA money to bring such crops into this country and undersell American produced crops, we will have nothing but chaos ahead of us.

Mr. SCOTT. Of course, I can say to the gentleman that some people think we have been subsidizing nuts for 20 years.

Mr. SCUDDER. But, we are interested in these nuts.

Mr. SCOTT. But I do not think the gentleman is correct in saying that we have to oppose the rule. I think the rule should be adopted, and if Members do not like the committee amendment, they can vote it down.

I yield to the gentleman from North Carolina [Mr. JONAS].

Mr. JONAS of North Carolina. Mr. Speaker, I rise to associate myself with the remarks of my colleague, the gentleman from California [Mr. PHILLIPS]. I understand that the textile industry, which is vitally interested in this matter, was given no opportunity to be heard before the committee. On a matter that is as vital as this, certainly I think they should be given an opportunity to be heard before the matter is concluded.

Mr. SCOTT. I thank the gentleman.

The SPEAKER. The time of the gentleman has expired.

Mr. COLMER. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, the gentleman from Pennsylvania [Mr. SCOTT], I believe, stated that this is a closed rule, with the exception that the committee may offer certain amendments. This is not an unusual procedure, except in the matter, I believe, of the excess-profits tax rule. We did not follow that. The rule, as was explained, makes in order a bill for the simplification of the customs law. It is a very technical and a very complicated bill, and has to do mostly with administrative matters. However, as has already been pointed out, the testimony before the Committee on Rules was largely to the effect that this being a simplification of the collection of customs type of legislation, that there was no controversy about it; but it has developed that there is considerable controversy, at least about one of the amendments which is proposed to be offered under the procedure provided by the rule. That particular amendment, as has been observed, is the amendment which I understand is being sponsored by the gentleman from Pennsylvania [Mr. EBERHARTER]. I think this amendment poses a very serious question. It is a matter which statements here show was not thoroughly considered by the Committee on Ways and Means. In fact, I understand from one member of the committee, and a very influential member, that possibly it was not thoroughly understood at the time. I think it would be very unwise when we get into the consideration of this legislation, and that

amendment is offered, to adopt the amendment under these peculiar circumstances, these extraordinary circumstances. Of course, on a matter of this sort, you have to have a closed rule. That is to prevent just such matters as this from being offered. If it were an open rule, then everybody, including myself, would have some amendment they wanted to offer that would give relief to or assist some industry in their particular area. So we have to have a closed rule. But here we have a modified closed rule, giving the Ways and Means Committee an opportunity to offer these particular amendments that are sponsored by the committee. Under those circumstances I think it would be unwise for the House to follow that up by adopting such an amendment which is highly controversial.

When the matter was considered before the Rules Committee. I did not know the import or the implications of this particular amendment that was to be offered here. I only learned of it this morning. This amendment, as I understand, really would be implementing a bill which the gentleman from Pennsylvania [Mr. EBERHARTER] had previously introduced, sometime last month. It would be very far-reaching in its effect. I think, for the benefit of the House, I might call attention to it so the Members will understand it. The substance of that amendment, as I understand it—and if the gentleman from Pennsylvania [Mr. EBERHARTER] does not agree, I should like to know it—is to amend section 303 which is, in effect, a form of an antidumping act. The language is as follows:

Such countervailing duties shall be imposed only after the Secretary of the Treasury shall determine, after such investigation as he deems necessary, that an industry in the United States is being or is likely to be injured or is prevented or retarded from being established by reason of importations into the United States of articles of merchandise of the class or kind in respect of which the bounty or grant is paid or bestowed.

At first glance I did not understand that it included agricultural products.

Mr. EBERHARTER. Mr. Speaker, will the gentleman yield to me?

Mr. COLMER. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. I may say to the gentleman from Mississippi that I am only the front man for this amendment. This is an amendment suggested and recommended by the Treasury Department, by the Secretary of the Treasury; so that while I am officially the sponsor of this amendment, I want it understood by the membership on both sides that it represents the recommendation of and is the amendment as drawn exactly by the Treasury Department.

Mr. COLMER. If the gentleman will permit me, I should like to congratulate him as a member of the minority selected to sponsor an amendment by the administration.

Mr. EBERHARTER. I will admit that the Treasury Department is absolutely



right in this instance. Experience has taught us that one can be right as well as wrong.

Mr. COLMER. I congratulate the gentleman, but even with all the love and respect I have for him, it does not change the situation so far as I am concerned.

Mr. EBERHARTER. Will the gentleman yield to me once more?

Mr. COLMER. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. Is the gentleman speaking on the rule or on the bill now? The gentleman wishes the rule to be adopted, does he not?

Mr. COLMER. I am speaking now because I realize from past experience that this perhaps will be the only opportunity I will have to speak on the amendment.

Mr. EBERHARTER. But the gentleman is speaking on the merits, the essentials of the bill?

Mr. COLMER. The merits of that particular matter.

Mr. EBERHARTER. And it has plenty of merit.

Mr. COLMER. So far as the rule is concerned I am for the rule; I think the rule ought to be adopted, but I do not think the amendment should be adopted.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield.

Mr. McCORMACK. I feel pretty much the same way that the gentleman from Mississippi does on this amendment, that it would be unwise to adopt it. None of us know how far-reaching it is; there have been no hearings on it, and I was amazed and astonished when my good friend from Pennsylvania [Mr. EBERHARTER] read a portion of a letter received from the Treasury Department which recommended this amendment. It was hard for me to believe, because I remember during the past 20 years the Democratic Party fostered and nourished the wool business. Boston is the great wool center of the world, particularly of the United States, yet here we have the present administration recommending an amendment that would be harmful not only to the whole industry, but in particular to the wool industry in Boston.

I want the RECORD to show that during the last 20 years we Democrats gave proper protection to the wool industry. Most of the big financial supporters of the wool industry are members of the Republican Party, and I am astonished that one of the first things attempted by the Republican administration is to sponsor an amendment which would seriously impair the wool industry of Boston and New England.

Mr. COLMER. Permit me to say in reply to my friend from Massachusetts—Boston—the great wool city, that this would not only affect wool but it would also affect every other commodity and every other article under similar circumstances.

I promised to yield to my friend from Texas [Mr. FISHER], who was first on his feet.

Mr. FISHER. I have listened with much interest to what the gentleman said about the amendment which the

gentleman from Pennsylvania proposes to offer as a committee amendment. I think it has already been demonstrated by the expressions from both sides of the aisle that that amendment is dangerous and should be defeated. I shall vote against it myself.

Mr. COLMER. It, of course, would affect the wool industry in his section, the cotton industry, the tung oil, and others.

Mr. FISHER. The gentleman is exactly correct; it will affect hundreds of industries all over the country. If the gentleman will permit, I should like to pursue this just a little further.

Reference was made a moment ago to these subsidies practiced by certain foreign countries. I have in mind two examples. I am particularly familiar with the situation in Uruguay and Argentina in this regard. Both of them, I think, have subsidized the export of wool and wool tops, wool tops being raw wool which has been processed to a certain point. That enabled those people to come in here and sell below the usual price they otherwise would sell for after paying the tariff. It put scores and scores of people in the wool-tops industry of this country out of business. Thousands and thousands of unemployed workers have been walking the streets for 3 years because their plants were forced to close. That has been going on for several years. It is a very serious thing. It has resulted in a severe hardship to American wool-growers.

As I see it, this amendment would simply have the effect of legalizing what is made illegal under section 303 of the Tariff Act of 1930.

Mr. COLMER. And further encouraging such actions. We should not do it.

Mr. FISHER. I agree with the gentleman; it would encourage them, and, even more, would appear to put the stamp of legality upon an act which has actually circumvented the laws of the United States. Now, it will help Peron, it will help Uruguay, it will help certain other people where they want American dollars and where they are willing to subsidize these industries to get them to dump their products in this country and sell below cost of production in order to get those American dollars and get certain advantages in international trade as a result. It is not fair competition. Fair competition is where all are treated alike; yet here you have foreign countries subsidizing their exporters to enable them to come in and impose a system of unfair competition on American industry.

Since 1949 there has been an increase in imports of wool tops to this country by more than 1,000 percent. This was due to the subsidy given to the exporters by their governments. Section 303, which the Eberharter amendment would virtually destroy, protects American industry against such unfair competition by requiring countervailing duties—in the amount of the export subsidy—to be imposed. So I think the gentleman is absolutely right and sound in his opposition to this amendment. I do not think it is very well understood, or it would not have been brought here. It seems very clear to me that it should not

be the purpose of the Committee on Ways and Means or of this Congress to attempt to bail Mr. Peron and others out and legalize what the laws of the United States say they cannot do; that is, to subsidize and thereby circumvent the laws as they apply to dutiable goods brought into this country.

Mr. COLMER. The gentleman has made a very valuable contribution to the possible defeat of this amendment when it comes up for consideration.

Mr. RILEY. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield to the gentleman from South Carolina.

Mr. RILEY. I wish to commend the gentleman from Mississippi and the gentleman from Texas on the statements they have made. Any amendment that is as far reaching as this and has the results that this one will have should be given further study to see where we are going before we vote on it in the House. As a great deliberative body I do not think we should take anything at its face value without studying it and arriving at a conclusion as to what will be the effect of it. As I understand it, the President has considerable power in reference to this and he can use that authority; then the Congress can make a deliberate study and reach a conclusion in regard to the matter.

Mr. SCOTT. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield to the gentleman from Pennsylvania.

Mr. SCOTT. I want to clarify one thing about the Treasury Department draft. As the gentleman will note, this controversial amendment is not in the bill at all. The reason it is not in the bill is because while the provision was contained in one of the Treasury drafts it was omitted from the bill by action of certain responsible members of the majority party. It was later reintroduced and carried by a 1 vote margin.

Mr. EBERHARTER. Mr. Speaker, will the gentleman yield?

Mr. SCOTT. It is not in the bill. Let me finish my statement. I would like to finish my thought.

Mr. EBERHARTER. I do not think the gentleman means to give misinformation to the House.

Mr. SCOTT. I do not.

Mr. EBERHARTER. I have listened to quite a bit of misinformation in the last few minutes.

The SPEAKER. The time of the gentleman from Mississippi has expired.

Mr. COLMER. Mr. Speaker, I yield myself 2 additional minutes.

Mr. SCOTT. I appreciate the remarks of the gentleman from Massachusetts but I wonder why he said he favors what he states is the policy on the part of his leadership and why in that case he seemed to be critical of the gentleman from Pennsylvania [Mr. EBERHARTER], who has my sympathies, in view of the statement made by the distinguished minority leader.

Mr. EBERHARTER. I do not know where the gentleman from Pennsylvania [Mr. SCOTT] got any idea this was passed by a close vote. Certainly I do not think he knows anything at all about what happened in the committee. My opin-



ion is altogether different as to the narrowness of the vote and the difference between those opposing it and those favoring it. We had hearings on this particular provision 2 years ago. It was recommended 2 years ago by the Treasury Department, it was accepted and a bill passed in this House without any votes against it. No representations have been made to the committee and as far as I know, it was recommended again this year in public hearings. It was adopted in the committee and is here as a committee amendment.

There have been some statements made that are altogether foreign to the subject. It was my intention, Mr. Speaker, to debate this issue in general debate. My theory is, and I think the theory that has always been accepted is, that the tariff, whether you are a high tariff advocate or a low tariff advocate, is asked for the purpose of protecting American industry. If you read this amendment which will be offered as a committee amendment it says that, as to every industry affected by subsidies in a foreign country which is injurious or likely to be injurious or retarded in its establishment, the Secretary mandatorially must impose a countervailing duty. What is the matter with that?

Mr. DORN of South Carolina. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield to the gentleman from South Carolina.

Mr. DORN of South Carolina. Mr. Speaker, I would like to compliment the gentleman from Mississippi on bringing this matter to the attention of the House. A lot of us represent great textile and woolen industries sections. That happens to be the principal industry in my district and in the whole State of South Carolina, and I understand the same is true in some sections of Massachusetts. Our people have not been informed about this amendment. They do not know the repercussions and the implications at all. All they want is to be heard on this matter, and I regret that the amendment that comes up as a committee amendment, is here without a thorough airing of all sides of the question as to whom it will affect and how. I compliment, again, the gentleman from Mississippi.

Mr. FISHER. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield to the gentleman from Texas.

Mr. FISHER. The gentleman from Pennsylvania, I think, very frankly explained the situation here when he said he did not realize there was opposition when his amendment was offered in committee, and therefore there were no hearings on this particular issue. As a matter of fact, there was tremendous opposition as is evidenced here this afternoon. The American Wool Growers Association made a formal request for a full-dress hearing on this issue in the event it should be considered by the committee. They had no opportunity to be heard. This is not an amendment, actually, pertaining to customs simplification; it is an amendment to the Tariff Act of 1930, an entirely different subject. It goes to the root of a very vital issue,

and it certainly seems to me, if it is going to be pursued and considered, it should go back to the committee and there it should be the subject of open and extended hearings so that the people can come in and show what its effect is and how disastrous its passage might be.

Mr. NICHOLSON. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. I understand that you could, under this new provision or proposed amendment, send cotton to a foreign country, raw cotton, on which there would be no duty, and they could make it into cloth and send it back to the United States, the only additional cost being labor on the product, which would drive out most of our cotton mills, not alone the woolen end of the business. I think that is pretty generally understood.

The SPEAKER. The time of the gentleman from Mississippi has expired.

Mr. COLMER. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

(Mr. McCORMACK asked and was given permission to speak out of order.)

Mr. McCORMACK. Mr. Speaker, it is not only a marked coincidence, but fortunate and important, that the Big Three Foreign Ministers, Secretary Dulles, of America; Lord Salisbury, of Great Britain; and Georges Bidault, of France; are meeting at the present time. For this meeting takes place while significant events are occurring in Communist-dominated satellite nations and even in the Soviet Union itself. Out of the meeting should come a marked reduction in any areas of differences that exist between nations opposed to communism and who want to be free from Communist domination or control. I assume there will be an evaluation of present conditions in the world, and particularly behind the Iron Curtain, and the establishment of unity and of affirmative policy and action to take advantage of the tensions in the ranks of communism. Above all, it is to evaluate properly the meaning of the incidents behind the Iron Curtain, the desire of millions of persons to be free men and women, and the great moral origin that influences that desire and is the beginning of that desire.

I assume policies will be agreed upon consistent with the strong desires of the people of Poland, Lithuania, Czechoslovakia, and other Communist-dominated nations to be free in accordance with the will of the people of those countries, through a free and secret ballot, as well as a free, united Germany. For it is my opinion that this is the time for America, Britain, France, and other free nations to present a united front based on strength and not on weakness; on faith, not despair; on confidence, not fear, to the Soviets so there will be no misunderstanding as to where the free world stands.

This is the time when the leaders of the free world must be far-seeing, constructive, and above all, courageous. The leaders of the free world must give such leadership if we are to succeed in

turning back the menace which now confronts the free world. Not only must our leadership be able, discerning leadership, but above all it must be courageous. It must be a leadership of faith, of hope, of idealism, of courage, and of strength.

The policies of the past 5 years are now commencing to show their beneficial results. Our policies are based on a belief that countless millions behind the Iron Curtain want freedom, and in the Communist-dominated countries they want independence.

Merely kind words will not be enough. As a matter of fact, merely kind words might result in disappointment, disillusionment, and loss of hope for outside aid.

The position of the United States has been consistent. We have not recognized the absorption into the Soviet Union of Lithuania, Latvia, and Estonia.

Our consistent position is that the people of Poland should regain their independence and freedom and decide their own form of government through a free ballot. This same policy applies to other Communist-dominated countries, with a united Germany in which the people can express their will through a free ballot.

It is apparent that opportunity presents itself now. The eyes of the world are upon the conferences that are being engaged in to see whether or not the opportunity is grasped and the advantages that exist developed and exploited.

In my opinion, the best defense is an effective offense, whether in actual war, a so-called cold war, or in the war of the minds. This is the time for affirmative, not negative, policies and actions.

As the representative of our country sits in these conferences, I think I speak the mind and the heart and the sentiment and the voice of all of my colleagues, whether Democratic or Republican, when I say that in the policies they might establish that will bring about a peaceful world, that will drive back communism and bring liberation to peoples now dominated, both parties and the people of America will support them.

Mr. SCOTT. Mr. Speaker, I yield 1 minute to the gentleman from Illinois [Mr. JONAS].

Mr. JONAS of Illinois. Mr. Speaker, I take this minute for the purpose of inquiring from the gentleman from Pennsylvania if he can tell us whether there was a hearing relative to the merits or demerits of the Eberharter amendment, and if there were no hearings, certainly I for one would be opposed to supporting that amendment because it carries with it such far-reaching implications. What is the answer? Were there any hearings or any data considered or was nothing said about the amendment during the hearings?

Mr. SCOTT. It is my understanding, after consultation with a member of the committee, that there were no hearings nor was the question raised until the matter came up in executive session.

Mr. JONAS of Illinois. Then this is an amendment of original impression here without any hearing whatsoever on its merits?



Mr. REED of New York. As a matter of fact, there was nothing said because there was nothing in the original bill in regard to this at all. When we were in executive session that was the first time they commenced putting pressure on for something. That is not unusual. We work on a bill and we hold full hearings, which are open to the public, and they come in, but on many bills they will come in at the very last minute when you are writing up the bill and want all kinds of changes. In many instances we do make some changes and come up with a new bill embodying those changes. But this, of course, was at the last minute and I understand the gentleman has a letter from the Secretary of the Treasury making recommendations along this line.

Mr. JONAS of Illinois. I want to say to the distinguished gentleman from New York, we all respect, and I say it and I feel I am justified in saying, the judgment of the Secretary of the Treasury, but he should not be the lone arbiter in this kind of a situation that can create such far-reaching repercussions. Is it wise to commit such arbitrary power in the hands of one man just because he says the amendment is good? I am opposed to it under those circumstances.

Mr. SCOTT. Mr. Speaker, I yield 1 minute to the gentleman from North Carolina [Mr. JONAS].

Mr. JONAS of North Carolina. Mr. Speaker, I have asked for this minute in order to inquire about another amendment, which I understand will be proposed. It is the so-called Knox amendment. Nothing has been said in the debate so far about the Knox amendment, but I understand it is a revision of an original bill, introduced by the gentleman from Michigan [Mr. KNOX]. The number of the original bill was H. R. 4034. I would like to inquire of some member of the committee if there were any hearings on the so-called Knox amendment?

Mr. KNOX. In reply to the gentleman from North Carolina [Mr. JONAS] may I state there had been extended hearings in the committee on the bill, H. R. 4034, which I had introduced. It was discussed at considerable length in the committee. Then the Treasury Department was requested to draft the bill in amendment form. It also has the approval now of the Customs Bureau and Treasury so far as the administration is concerned.

The SPEAKER. The time of the gentleman has expired.

Mr. SCOTT. Mr. Speaker, I yield 3 minutes to the gentleman from Montana [Mr. D'EWARD].

Mr. D'EWARD. Mr. Speaker, I want to join with other Members in opposing the Eberharter amendment, particularly because of the injury it would do to the wool industry in the United States, which has been so seriously injured throughout the years. The imposition of what is known as the injury test would result in a year's crop of foreign wool arriving in this country before the Tariff Commission could conclude their hearings and afford the relief that is applicable under

the countervailing duty. We would have a year's entire crop of wool on our market injuring our wool industry. With the subsidy on the production and processing of wool, such as in Uruguay and Argentina and other places, they are able to deliver wool 20 to 25 percent below our domestic price, thereby seriously hurting our wool industry.

I was amazed to hear the former majority leader, the gentleman from Massachusetts, speak of the fine condition of the domestic wool industry of the United States under the Democratic administration. We are in a very serious position. The production of wool in this country is down to about one-third of what it used to be in former years. It got so serious a year ago that a group of 25 Members of the House and Senate, led by Senator O'Mahoney, signed a petition to the Secretary of the Treasury asking him to impose a countervailing duty, which we had made an effort to have applied for over 2 years. And it was not until May 6 of this year, under a Republican administration, that we got the first relief through a countervailing duty.

That is the condition we are facing. That is the injury we are trying to prevent by the Eberharter amendment. I was amazed to hear the statement made about the fine condition of the wool industry that was brought about under the Democratic administration. It is absolutely contrary to the fact.

Mr. PHILLIPS. Mr. Speaker, will the gentleman yield?

Mr. D'EWARD. I yield to the gentleman from California.

Mr. PHILLIPS. I agree completely with the statement of the situation regarding wool. But let us understand that it also affects textiles, pottery, tree nuts, specialty crops, and many commodities, all of which find themselves in the same situation.

Mr. D'EWARD. That is true. I want, however, to make this point on wool, because it is such a serious example of what has been done by the Democratic administration over the years, in refusing to impose a countervailing duty. And now Mr. EBERHARTER is proposing another amendment today that would extend the time when they could impose these duties until a whole crop of foreign wool was put on our market, thereby breaking the price.

Mr. HALE. Mr. Speaker, will the gentleman yield?

Mr. D'EWARD. I yield to the gentleman from Maine.

Mr. HALE. I am very happy to hear the gentleman's remarks, because certainly the opinion in my district is entirely along the lines which he has expressed. I regret very much that this matter should have arisen.

Mr. D'EWARD. I thank the gentleman very much.

(Mr. D'EWARD asked and was given permission to revise and extend his remarks.)

Mr. SCOTT. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. NICHOLSON].

(Mr. NICHOLSON asked and was given permission to revise and extend his remarks.)

Mr. NICHOLSON. Mr. Speaker, this amendment affects other things besides cotton and wool, as was pointed out by the gentleman from California [Mr. PHILLIPS]. It also affects the confectionery industry. I understand that Boston, Mass., is one of the largest confectionery outlets in the country.

I have received quite a number of telegrams, and I should like to read from one of them. The owner of the Hathaway Manufacturing Co., at New Bedford, sends one telegram. They had spent \$7 million or \$8 million in the last few years building up their plant. He says in this telegram:

NEW BEDFORD, MASS., July 12, 1953.  
Hon. DONALD W. NICHOLSON,  
House Office Building,  
Washington, D. C.:

Understand customs simplification bill, H. R. 5877, will come before the House Monday morning, July 13 and that the following amendments will be offered:

1. To abolish countervailing duties to offset foreign subsidies sponsored by EBERHARTER; and

2. To permit United States raw material to be processed in a foreign country and reimported into the United States with duty figured only on the added cost of labor and processing sponsored by KNOX. Both these amendments would be very detrimental to the textile industry for the following reasons:

1. The countervailing duty amendment would permit a foreign country to subsidize importation of American cotton and preclude the establishment of countervailing duties to offset the subsidies on the reimportation of goods made from said cotton.

2. United States cotton could be shipped to a foreign country, processed into cloth at low labor costs, and the cloth could be imported into the United States with duty figures only on the labor, making it completely impossible for United States mills to compete. I trust you will oppose both of these amendments with all the strength at your command.

Best personal regards.

SEABURY STANTON,  
President, Hathaway  
Manufacturing Co.

NEW BEDFORD, MASS., July 12, 1953.  
Congressman DONALD W. NICHOLSON,  
House Office Building,  
Washington, D. C.:

Customs simplification bill, H. R. 5877. We hope you will do everything you can to defeat the Eberharter and Knox amendments of this bill and especially the Eberharter amendment pertaining to countervailing duties to offset foreign subsidies also the Knox amendment pertaining to whereby United States material such as cotton processed in a foreign country can be reimported into the United States with duty only applied to cost of labor when such material has been processed. Trust you will contact other Members of Congress in behalf of the cotton textile industry.

FRED W. STEELE.

I ask unanimous consent to include 1 or 2 of these telegrams in the RECORD, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. SCOTT. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. HUNTER].

(Mr. HUNTER asked and was given permission to revise and extend his remarks.)



Mr. HUNTER. Mr. Speaker, I, too, wish to take this opportunity to express opposition to the so-called Eberharter amendment. This affects not only wool, as has been pointed out, it can affect a number of other commodities, such as walnuts, almonds, olive oil, and wines.

Mr. COLMER. Mr. Speaker, will the gentleman yield?

Mr. HUNTER. I yield to the gentleman from Mississippi.

Mr. COLMER. Just for an observation; it affects all commodities, does it not?

Mr. HUNTER. That is true. It can affect all commodities faced with foreign competition. I feel, because of the fact that there have been absolutely no hearings on this general question, that this is not the proper time to bring up an amendment of this kind. I express opposition to it and, as I say, there are many agricultural commodities in California that may be adversely affected.

I yield back the balance of my time, Mr. Speaker.

Mr. COLMER. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. FISHER].

Mr. FISHER. Mr. Speaker, there is an analogy here in this situation between the Robinson-Patman Act and section 303 of the Tariff Act of 1930. The Robinson-Patman Act was designed to protect, let us say, an independent grocer from unfair competition where wholesale prices to a competitor are below prices by the same wholesaler to that independent grocer. That protects him against that sort of unfair competition. Section 303 is a sort of Robinson-Patman provision as applied to international trade; it prohibits foreign governments from subsidizing their industries by export subsidies and thereby enable the exporting competitor to sell his product at low prices, made possible by the export subsidy. The Eberharter amendment would nullify the protection of section 303 of the Tariff Act of 1930, and would give certain rights to foreign countries that by the Robinson-Patman Act we prohibit right here in our own country. It seems to me we should at least provide something like the same degree of protection against unfair foreign competition as by the Robinson-Patman Act we provide against unfair domestic competition.

Mr. SCOTT. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Speaker, I want to ask one question as to the extent of the jurisdiction of the bill. Does it impinge in any way on the executive agreement known as the General Agreement on Tariffs and Trades? Is it limited to administrative and procedural matters or does it cut across any agreements that have been made under that policy?

Mr. REED of New York. No; it does not.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. FULTON. I yield.

Mr. AUGUST H. ANDRESEN. When the bill was before us 2 years ago I understood its purpose was to simplify our customs laws so it would be easier

for foreigners to ship their products to this country in competition with American industry. I am somewhat confused as I read this bill for I cannot tell whether it has the same objective as the bill had 2 years ago or not.

Mr. SCOTT. I would say that I do not agree with the conclusions of the gentleman from Minnesota.

Mr. Speaker, I desire to set forth at this point certain objections to the Eberharter amendment:

#### OBJECTIONS TO EBERHARTER AMENDMENT TO CUSTOMS SIMPLIFICATION BILL

First. The provision was an original Treasury draft but deleted by Treasury at request of majority leaders prior to introduction of the bill.

Second. Not in bill during public hearings and therefore no industry appeared to express opposition.

Third. Two industries—wool manufacturers and wool growers—formally asked for permission to appear on this amendment if committee were to consider it. This permission was not granted.

Fourth. Amendment originally voted down in committee and did not appear in H. R. 5877 when reported as clean bill.

Fifth. Spokesmen before Rules Committee contended all amendments, including Eberharter amendment, were noncontroversial. This, of course, is a misunderstanding, as in addition to the wool growers and the wool manufacturers, the Cotton Textile Manufacturers Association and several agricultural associations on the west coast are violent in their opposition.

Sixth. The text of this amendment has not been known to the public until July 13.

Seventh. With half the countries of the world subsidizing their exports through various forms of currency manipulation, this amendment merely legalizes those practices which are now against our law.

Eighth. The Treasury in asking for this amendment is seeking an excuse for its failure to enforce existing law. In only 1 or 2 instances, notably in the wool top case, has the Treasury invoked countervailing duties. Yet by the Treasury's own admission many imports to the United States are being subsidized, and have been for several years, and yet the Treasury has taken no action against such illegal practices.

Ninth. This amendment serves notice to the world that if they violate our laws in sufficient magnitude, that we will amend our laws to accommodate the foreign countries irrespective of the impact or injury on American producers.

Tenth. This amendment makes the Secretary of the Treasury the economic czar as to which industries shall be protected and which shall be traded off for reasons of international diplomacy. This is true because there is no standard for the injury test but it is left in the sole discretion of the Treasury to find or not to find injury according to the whim of the Secretary. Because the amendment sets neither standard, policy, objective nor method for the determination of injury, a serious consti-

tutional question is raised as to whether this would not be an exercise by the executive branch of the functions of the legislative branch. This is true because the phrase "serious injury," without any legislative guidepost, is too vague and meaningless to constitute a legislative standard for administrative action.

Eleventh. This amendment is violative of our whole foreign trade policy to strengthen the economies and stabilize the currencies of foreign countries. By encouraging countries to subsidize their exports through multiple currency rates and other forms of currency manipulation, we go against the announced policy of the International Monetary Fund which has already cost us billions of dollars. This amendment permits a country to select any export commodity and apply a special currency exchange rate which will permit the exporter to pay American tariffs and still undersell in this market. This practice is known as selective devaluation of currencies for particular commodities. For instance, when a foreign exporter receives 5 pesos for his dollar derived from exports, the present practice is to give him 7.5 pesos instead of the basic rate of 5 pesos. If we put import fees on agricultural products, the foreign government neutralizes these fees by giving the exporter, say, 10 pesos per dollar or sufficient pesos to pay the United States importation fees and still undersell.

Mr. SCOTT. Mr. Speaker, I yield 1 minute to the gentleman from Michigan [Mr. KNOX].

Mr. KNOX. Mr. Speaker, I feel that I should extend a few more words in explanation of the so-called Knox amendment as the question was raised by Mr. JONAS. This amendment would provide that American industry which ships metal products into foreign countries still in the ownership of the American industry, and has processing work done upon them and returned to the United States, with the payment of duty on the cost of processing that was done in the foreign country only. When this bill was originally drafted it was wide open and would have taken in all of the textile manufacturers and so on. But it now contains language that provides just for the metal products that are sent to a foreign country for processing, and that is the duty that would be paid. It is spelled right out in the amendment.

(Mr. KNOX asked and was given permission to revise and extend his remarks.)

Mr. SCOTT. Mr. Speaker, I yield such time as he may desire to the gentleman from California [Mr. SCUDDER].

Mr. SCUDDER. Mr. Speaker, I desire to associate myself with others opposing the committee amendment to H. R. 5877.

This bill is referred to as the customs simplification bill, but the Eberharter amendment to be offered by the committee would open the door to the great injury of American producers and manufacturers. It would provide that injury to domestic industry must be shown before countervailing duties may be levied to offset foreign subsidies.



Such a provision would open the door for flooding of our American markets with cheap subsidized foreign products.

A few years ago the almond industry in California was practically ruined through the importation of almonds that were subsidized by the exporting country. This could happen to all types of manufactured articles and crops produced in this country. The American farmer, manufacturer and laboring men are the only taxpayers we have to support our government institutions. If they are to be confronted with these unrealistic imports subsidized in many instances with our own American taxpayers' dollars, and imported into this country to the detriment of our own industries, it is only a matter of time until such competition shall destroy our American economy.

While this act is called a Simplification Act I believe that the Congress could be declared to be simple if we permitted the amendment to pass. I most certainly recommend to my fellow colleagues that this amendment be voted down.

Mr. SCOTT. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein a memorandum with a number of objections to the Eberharter amendment.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SCOTT. Does the gentleman from Mississippi have any further requests for time?

Mr. COLMER. No, Mr. Speaker.

Mr. SCOTT. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. JENKINS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5877) to amend certain administrative provisions of the Tariff Act of 1930 and related laws, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5877, the Customs Simplification Act of 1953, with Mr. CHENOWETH in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule general debate is to be confined to the bill and is to continue for not to exceed 2 hours, to be equally divided and controlled by the gentleman from New York [Mr. REED] and the gentleman from Tennessee [Mr. COOPER].

Mr. REED of New York. Mr. Chairman, I yield myself 15 minutes.

The CHAIRMAN. The gentleman from New York is recognized.

Mr. REED of New York. Mr. Chairman, this is one of those highly technical bills that has gone through heretofore under a different number but over in the Senate failed of passage on account of lack of time. We will get to

the controversial amendments in due time.

Mr. Chairman, H. R. 5877 is entitled "Customs Simplification Act of 1953." As the title indicates, the bill has for its primary purpose the simplification of customs procedures. It is designed to remove from the statutes many obsolete customs requirements and to give the Treasury Department the legislative authorization necessary to make possible the institution of modern procedures in the administration of customs law.

The President of the United States in his state of the Union message stated that one of the aims of his administration was to simplify customs procedures, and this bill has been reported favorably by the unanimous action of the Committee on Ways and Means. The bill will go far to remove the more serious obstacles and inconveniences which result from the procedural and administrative complexities of our customs laws, will contribute to the economical operation of the customs service and will remove many unnecessary technical and complex procedures which tend to impose unduly harsh burdens on American importers. The customs service will be able to give improved service to the importing public at a reduced cost to the taxpayer.

H. R. 5877 is based on H. R. 5106, introduced by my distinguished colleague, the gentleman from Ohio [Mr. JENKINS], on the basis of suggestions by the Treasury Department. The Treasury recommendations were based upon the report of a survey of the customs service by a private firm of management consultants, and upon suggestions from the customs service itself, from other Government departments and from representatives of importers and others.

The law of customs administration and procedure, as distinguished from the tariff-rate structure, enacted in the Tariff Act of 1930, has been generally revised only once, by the Customs Administrative Act of 1938. Since that time many changes have occurred in industry and commerce which have accentuated the need for modernizing the customs laws. Following the completion of the management survey authorized by the 80th Congress, H. R. 1535, a bill to simplify customs, was introduced in the 82d Congress. Extensive hearings on that bill were held by the Committee on Ways and Means and a new bill H. R. 5505, 82d Congress, was favorably reported and passed by the House. This bill was not acted upon by the Senate before the end of the 82d Congress.

Public hearings were held by the Committee on Ways and Means on H. R. 5106, at which hearings a representative of the Treasury Department and representatives of interested private groups were heard. Written statements were received from other Government agencies. All witnesses supported customs simplification although a number of witnesses suggested various changes in the bill. Executive sessions on the bill were held and the bill now before you, H. R. 5877, was introduced as a clean bill and embodies the committee's decisions and amendments made to H. R. 5106. This

bill is strongly endorsed by the Treasury Department and is also supported by the Bureau of the Budget and other interested Government agencies.

The present bill does not contain any of the features of H. R. 1535, 82d Congress, which were deleted by the committee in drafting H. R. 5505, 82d Congress. Testimony before this committee and the Senate Finance Committee during the 82d Congress on the previous bills was carefully considered in drafting the present bill. I would like to emphasize that H. R. 5877 proposes no change in the tariff structure and that any change in amount of duties payable under it will not be large.

Perhaps the most important section of H. R. 5877 is section 15, which will simplify and make more equitable the formulas for appraising merchandise for the assessment of import duties. Under existing law, appraisers, in determining the value of imported merchandise, are directed to use foreign value or the export value, whichever is higher. Foreign value is defined as the market value at the time of exportation of merchandise sold for home consumption. Export value is the market value in the foreign country of merchandise sold for exportation to the United States. If neither of these values can be ascertained, then the United States value is used and if that also is unascertainable then the cost of production. In a few special cases the rate of duty is to be based upon the American selling price. Section 15 would eliminate the use of foreign value and make export value the preferred method of valuation if it can be determined; if neither export value nor United States value can be determined, appraisal would be made on comparative value before resort is had to constructed value.

Under the present law, a principal source of expense and delay in administration is the necessity of determining economic facts and conditions in a foreign country.

A report of March 31, 1953, indicates that over 45,000 invoices in the hands of appraisers for more than 90 days were then delayed awaiting a foreign investigation and that the great majority of these investigations are needed to determine foreign value. Delays of 2 or 3 years are not uncommon while awaiting the receipt of all the necessary foreign information. Elimination of foreign value and the use of export value as the preferred method will mean that value will depend principally upon transactions in the United States import trade which should be known or should be readily ascertainable by importers and customs officers. This should mean less expense to the Government and speedier decisions for the importer.

Section 15 would also provide a system of valuation which is less likely to produce arbitrary and fictitious results, which increase uncertainty, since it would provide for the use of actual commissions, profits, and other deductions and not an arbitrarily limited amount, in determining United States value; it would permit the use of actual sales instead of offers in determining export value, United States value, or compara-



tive value; it defines usual wholesale quantities in such a manner as to mean the quantities in which the greater aggregate quantity of the merchandise is sold, whereas under the present law the usual wholesale quantity is the quantity in which the largest number of individual transactions occur.

This section of the bill will eliminate unnecessary expense and delay in the appraisal of merchandise, thereby achieving greater administrative efficiency, and will provide a system for all customs valuations which will be commercially realistic and equitable.

Section 4 of H. R. 5877 will repeal special marking requirements now contained in the Tariff Act which have proved unusually burdensome to importers. The paragraphs which would be amended by section 4 refer to specific items to be imported and—except for paragraph 28—specify in detail that the articles enumerated shall have, when imported, the name of the maker or purchaser as well as the country of origin conspicuously and indelibly marked on the outside of the article. Section 4 would repeal entirely these marking provisions. The amendment is, however, restricted to special marking requirements and the articles would still be subject to the general marking provisions of the Tariff Act so that they will have to indicate to the ultimate purchaser the country of origin of imported merchandise. The committee decided that special marking is not needed for consumer information in view of the general marking provisions. We were advised that its requirement often interferes with the efforts of United States medical men and scientists to get needed instruments for medical purposes and for research, and with trade and commerce generally.

Section 4 also contains a new provision which will permit the Secretary of the Treasury, in his discretion, to grant relief in hardship cases under the general marking requirement. If articles are not properly marked before importation and the failure to mark was not due to any intent to avoid compliance with the marking laws and the articles cannot be marked after importation except at an expense which is economically prohibitive, the Secretary could permit the importation. At the present time, the Treasury Department is without authority to grant relief to innocent importers in such situations.

Another important provision of the bill is section 2 which will facilitate the modernization of the internal accounting procedures of the Bureau of Customs, by removing certain restrictive statutory provisions relating to accounting and recordkeeping functions. These statutory functions are vested mainly in the comptrollers of customs and require too much detailed review and checking. As a result, repetitive accounts have to be maintained and certain accounting processes which are performed in the offices of the collectors of customs have to be duplicated. These statutes are so restrictive that they preclude some of the procedures which should be a part of a modern program of internal audit. This section will not eliminate any neces-

sary controls and safeguards over customs accounting. Customs will continue to have an internal audit program, but it will be more flexible and useful, as well as less costly and the Comptroller General will continue to provide the external audit program, including a check upon the effectiveness of the customs accounting system and internal audit and control.

Another important section of H. R. 5877 is section 22 relating to the conversion of currency for customs purposes. The section will make one substantial change in the existing procedure but the result aimed at is the same as under present law. The section is designed to get rid of an archaic statutory provision for a declaration of gold coin parities which is almost entirely useless today, to restate the rules for conversion in terms of international financial relationships as they exist in the world today and to simplify the day-to-day computations of customs duties. The section maintains the principle that commercial rates of exchange should govern the calculation of customs duties.

Since 1894, the Secretary of the Treasury has been required to proclaim quarterly the value of the standard coins in circulation of the various nations of the world, based upon estimates of the Director of the Mint. These proclamations now serve little function since customs duties are rarely based upon these values. Section 22 would repeal that requirement and would provide in lieu thereof that the Secretary of the Treasury publish a list of par values which he finds are maintained by foreign countries for their respective currencies. These par values would be used whenever for customs purposes it is necessary to convert into an amount in the United States currency any amount expressed in foreign currency, except when there are one or more rates of exchange which vary by more than 5 percent from the par value. In cases in which there is no par value or there are rates of exchange which vary by more than 5 percent from the par value the rate used would be that certified daily by the Federal Reserve Bank of New York based upon market rates in New York. Section 22 would permit the recognition of multiple rates of exchange and would permit multiple certification by the Federal Reserve Bank consistent with the decision of the Supreme Court of the United States in *Barr* against United States.

Section 13 of H. R. 5877 relates to administrative exemptions. The purpose of these provisions is to avoid waste of customs manpower in determining and collecting trivial amounts of money. Section 13 would amend section 321 of the Tariff Act to, first, increase from \$1 to \$3 the amount of the difference between estimated or tentatively assessed duties and actual duties which may be disregarded; second, permit free entry of bona fide gifts from persons in foreign countries to persons in the United States up to \$10; and third, allow persons to bring with them articles up to \$10 in value for their personal use. The limitation of \$1 in the present law on free entry in other cases has not been

changed. Moreover, the Secretary would be enabled to reduce any of these these amounts if he finds it necessary to protect the revenue. The basic traveler exemptions contained in paragraph 1798 of the Tariff Act would not be affected by these administrative exemptions.

There are a number of other sections in H. R. 5877 which are of comparable importance to some of those I have just outlined. Among these are provisions to eliminate time-consuming and cumbersome procedures in connection with warehouse transfers; to repeal the provision in the present law for undervaluation penalties; to permit correction by customs officers of admitted errors without appeal to the courts. The bill also contains a number of other provisions of lesser individual importance but which are cumulatively of major importance.

The sections of this bill which I have touched upon, when taken together with the other provisions of the bill, will in the opinion of the Committee on Ways and Means, go far to remove the more serious obstacles to trade which are contained in the administrative as distinguished from the tariff-rate provisions of our tariff act, and to provide for more economical and efficient operation of the customs service in the interests of the public than is presently possible. I believe that the committee has resolved the few controversial points to the maximum extent consistent with an effective revision of customs procedure, and I strongly urge the prompt passage of this long overdue legislation. I think from what I have already read to the House you can see the vast task that has confronted the committee. This overhaul has been needed for a long time. Those who have traveled very extensively or who have done very much business, either in exporting or importing, realize the difficulties we face in this great field.

I think great effort is being made abroad between the countries to simplify the customs procedure which are most annoying to people who are traveling abroad. But this has been a difficult task. The burden of simplification legislation was assigned to the author of the bill, the gentleman from Ohio [Mr. JENKINS]. He held fine and exhaustive hearings. He had many customs experts before him. There has been quite a bit of controversy in regard to the Eberharter amendment. Hearings were held on May 27, 28, 29, 1953. On June 1, 1953, I received a letter from the Assistant Secretary of the Treasury, a very able, a very distinguished lawyer, H. Chapman Rose, who is well known in the legal profession throughout this country. He said:

JUNE 1, 1953.

HON. DANIEL A. REED,  
Chairman, Ways and Means Committee,  
House of Representatives,  
Washington, D. C.

MY DEAR MR. REED: During the course of my testimony before the Committee on Ways and Means on H. R. 5106, the customs simplification bill, I indicated that the Treasury Department had additional suggestions for customs simplification legislation that were not included in H. R. 5106, and Mr. EBERHARTER requested that they be made available to the committee.



I was referring to a proposal that has been the subject of prior discussion which would (a) add an injury requirement to section 303 of the Tariff Act regarding the imposition of countervailing duties, and (b) transfer to the Tariff Commission the jurisdiction to determine injury in cases arising under the antidumping statute and under section 303.

However, in view of the President's request to the Congress for a Commission to review foreign economic policy, the Treasury does not wish to suggest (b) above for present consideration by your committee. Provisions transferring the Treasury's present injury-finding determination under the Antidumping Act to the Tariff Commission and giving the Tariff Commission the authority to determine injury in countervailing duty cases are appropriate for consideration by the proposed Commission in connection with a review of the proper role of the Tariff Commission and other agencies of the Government in this field.

For the present, the Treasury Department believes that the one addition to H. R. 5106 which it would now recommend is an amendment to section 303 of the Tariff Act providing that countervailing duties should be imposed only where injury exists or is threatened to a domestic industry. The Department suggests consideration of the enclosed draft amendment to section 303 of the Tariff Act which would accomplish this purpose. I am sending a copy of this letter and its enclosure to Mr. EBERHARTER and Mr. JENKINS.

Very truly yours,

H. CHAPMAN ROSE,  
Assistant Secretary of the Treasury.

Here is the proposal:

Section 303 of the Tariff Act of 1930 (U. S. 1946 edition, title 19, sec. 1303) is amended by inserting at the end of the first sentence:

"Such countervailing duty shall be imposed only if the Secretary of the Treasury shall determine, after such investigation as he deems necessary, that an industry in the United States is being or is likely to be injured, or is prevented or retarded from being established, by reason of the importation into the United States of articles or merchandise of the class or kind in respect of which the bounty or grant is paid or bestowed."

That practically sums up the Eberharter amendment. As you notice, the letter is dated June 1, and the hearings were closed, and this was just before we had gone into an executive session on this bill. That is true of some of the other amendments. As I said before, it is very difficult in a technical bill like this to bear witness, and then at the last minute have people come in and say here is something that ought to be changed or here is an amendment that ought to be put into the bill. And you never do get through. Several times we have gone back and introduced clean bills trying to accomplish these purposes. What I would like to see done is if we can have this technical bill sent to the other body with such perfections or imperfections as the House may work its will on so that we can pass this bill which has been plaguing the country for such a long time. I would like to see it go over to the other body in time to dispose of it, and have it enacted into a law.

Mr. Chairman, that concludes my statement now. Later if a further explanation is required on this Eberharter amendment, I will be very glad to give it or have the gentleman from Pennsylvania [Mr. EBERHARTER] explain it to us

as well as the gentleman from Ohio [Mr. JENKINS]. I congratulate the gentleman from Ohio [Mr. JENKINS], for the very excellent and arduous work which he and the committee members have put in on this bill. The House will work its will on this bill, but I invite your cooperation in the perfecting and completing of legislation of this rather difficult character. We have a long, hard program ahead of us. We are sending the bills to the Rules Committee as rapidly as we can so that all those who have an interest in the legislation that is coming on will have an opportunity to have that legislation considered and passed.

Mr. COOPER. Mr. Chairman, I yield myself 23 minutes.

(Mr. COOPER asked and was given permission to revise and extend his remarks.)

Mr. COOPER. Mr. Chairman, it will be recalled that a customs simplification bill very similar to the pending bill passed the House in the last Congress. It was not acted upon in the Senate.

The administrative and procedural provisions of our customs laws have been generally revised only once since the enactment of the Tariff Act of 1930, and that was by the Customs Administrative Act of 1938. Since that time, there have been many changes in technology, industry, and commerce, which have made very acute the need for another general revision. The pending bill covers administrative and procedural provisions only, and does not make any change in tariff classifications or rates of duty.

By far the most important provision in the pending bill is section 15, relating to the basis of valuation for the assessment of duties. Under existing law, the value of imported merchandise for the purpose of assessing duty in most cases is either foreign value or export value, which ever is higher. The bill would eliminate the foreign value basis of valuation and substitute the export value basis. Under present law, customs officials have found it very difficult, expensive and time consuming in determining foreign value. It is not uncommon for 2 or 3 years to elapse before all necessary information is secured in order to set the foreign value. By making export value the preferred method of valuation, it will be possible to eliminate much of the delay and expense involved under present law, where foreign value has to be determined.

In general, export value is defined under the bill as being the market value or price, at the time of exportation to the United States of the merchandise, at which such or similar merchandise is freely sold or offered for sale in the country of exportation in the usual wholesale quantities for exportation to the United States.

In addition to the use of foreign value or export value, whichever is higher, under present law, the United States value is used if neither foreign nor export value can be ascertained, and if the United States value cannot be ascertained, then the cost-of-production basis is used. In addition, there are a few special cases, such as chemicals and

rubber footwear, where the American selling price is used.

The bill makes no change in the American selling price basis for valuation. The bill retains the use of United States value as a basis of valuation, with some amendments to make this basis more realistic, by using actual commissions, profits, and certain deductions, rather than arbitrary amounts as under present law.

A new basis for valuation, comparative value, is established by the bill. This basis is to be used if neither export value nor United States value can be determined, and is designed to establish a basis which can be relatively easily determined by looking to merchandise which is comparable to the merchandise which is being appraised. If comparative value, in its turn, cannot be found, then the cost-of-production basis would still be used, as under present law.

The bill also defines certain terms in the value sections so as to make the value determinations more realistic, and clarify and make more certain the concepts which the terms are intended to cover.

The Treasury Department advised our Committee that the adoption of the changes proposed in the basis of valuation provisions of the customs laws would make a major contribution toward simplification and efficient administration of the customs laws.

Section 2 repeals certain obsolete accounting provisions which at present cause unnecessary duplication in accounting procedures which lend little or nothing to the protection of customs revenue, while unnecessarily consuming the time of customs employees. The amendments proposed will permit the establishment of modern internal accounting procedures.

Section 3 has to do with the rate of duty which is applicable to imported merchandise. Confusion at present exists as a result of a series of Customs Court decisions. An example of the present situation is the case of a suspension of duty on an article by Congress or the termination of a suspension. Section 3 provides that the merchandise is subject to the rate of duty in effect, in general, when the documents on the imported merchandise and the duties required to be paid have been deposited with appropriate customs officials.

Section 4 repeals certain special marking provisions which are required in the case of surgical instruments, knives, scissors, coal tar products, and so forth, which require that the articles imported must bear the name of the maker or purchaser, as well as the country of origin, on the outside. These special markings are not needed for consumer information, and they often interfere with the efforts of doctors and scientists to import instruments which they need for medicinal purposes and for research, as well as interfere with trade and commerce generally.

The general marking requirements of the Tariff Act would still be applicable. Under these requirements, the country of origin of the imported articles must be indicated on the articles.



Section 5 repeals a provision of present law requiring that lead and zinc-bearing ores be transported from ports of entry to sampling or smelting establishments for sampling and analysis. Such a requirement results in unwarranted inconvenience and expense to importers. Sampling and analysis, under the bill, would be in accordance with regulations issued by the Secretary of the Treasury. The Treasury Department feels that this change will be in the interest of the importing public and also be more economical and efficient for the Bureau of Customs.

Section 6 repeals certain obsolete provisions.

Section 7 eliminates unnecessary investigations, paperwork and search of records in order to establish trivial amounts of drawback of duties or tax refunds which may have been paid on the export of American goods which are being returned.

The provisions of the present law relating to free entry of certain items by travelers are contained in 10 provisos in paragraph 1798 of the Tariff Act of 1930. This results in difficulties of interpretation and administration, and section 8 realines and restates these provisions. The present requirement for customs bonds for traveling nonresidents' baggage, automobiles, and so forth, would be eliminated.

Under present law articles may be entered free of duty under bond for permanent, noncommercial exhibitions, such as museums. Since there is no limit on the duration of the bond, many old records must be kept by the Bureau of Customs. Section 9 would limit the duration of these bonds to 5 years, thereby eliminating this record keeping and the checking of these articles.

Present law provides for the temporary free entry of samples for use in the taking of orders or for examination with a view to reproduction of articles for experimental purposes, and so on. These articles and items can come in under bond for a period of 6 months, which period can be extended for an additional 6 months by the Secretary of the Treasury. In many instances this time has proved inadequate for the purposes for which the items were temporarily imported, so section 10 would permit the importation under bond for a period of 1 year, with further extensions not to exceed a total of 3 years.

In the case of the temporary free importation of samples under bond so that orders may be taken or the items reproduced, section 10 provides that an exception shall be made in the case of photoengraved printing plates. There have been complaints received as to the applicability of this provision to such plates, particularly from photoengravers.

The provision permitting the importation of articles for experimental purposes is broadened to include the importation of articles for testing and review purposes. The provision permitting the importation of containers free of duty temporarily under bond is now limited to containers for compressed gases. This provision would be broadened to

include containers or other articles for use as a covering or to hold merchandise during transportation and suitable for reuse for the particular purpose.

The temporary free-importation-under-bond provision would also be broadened by section 10 to include certain animals and poultry imported for breeding, exhibition, or competition purposes, theatrical scenery, works of art, and so on.

Section 11 eliminates a discrimination between vessels and aircraft, with respect to the dutiability of equipment and repair parts, by extending to vessels the same privilege already enjoyed by aircraft.

Under present law, in cases where imported goods are used in the manufacture of goods which are later exported, a drawback of duties is permitted if the goods are used in manufacturing items within 1 year and the article is exported within 3 years. Section 12 would permit the goods to be used in manufacturing within 3 years and to be exported within 5 years. This section also extends from 30 to 90 days the time within which the merchandise which does not conform to sample or specifications may be returned to customs custody for exportation and the duties refunded.

Under present law, the Secretary of the Treasury can disregard the difference between total duties deposited or assessed on an imported article and the total amount of duties accrued on the article if the difference is less than \$1. He is also permitted to admit free of duty, articles where the expense and inconvenience of checking the duty is disproportionate to the amount of duty, provided that in the case of any 1 person, for any 1 day, the value of the item exempted is not over \$5, where the person brings the item with him upon his return to the United States.

Section 13 would amend the \$1 difference allowed in duties deposited and finally determined by increasing the amount to \$3, and it would permit the free entry of gifts from persons outside the United States to persons in the United States up to \$10, and allow persons returning to the United States to bring in free of duty, articles valued up to \$10 instead of the present \$5.

The original bill proposed by the Treasury Department would have increased the value of items which can be imported by mail free of duty from \$1 to \$3. There was considerable opposition to this increase, on the part of certain retail organizations, and jewelers in particular, and the committee decided to make no change in this provision.

The bill also permits the importation of certain aircraft, equipment, supplies, and so on, for use in connection with damage to aircraft, for fire fighting, rescue, and relief work in connection with floods and other disasters, without the payment of duty and without compliance with the customs laws.

Under present law, the pilot of an aircraft is the only person who is permitted to execute and deliver a manifest for an aircraft. Section 16 would amend this

by permitting any authorized agent of the aircraft to perform these duties.

Present law permits the Secretary of the Treasury to permit informal entries of merchandise not exceeding \$100 in value. Section 17 would raise this ceiling to \$250. Informal entries relieve importers from supplying complicated documentation which is required in the case of formal entries. The increase in the dollar amount is proposed in order to conform it with the changes in price levels since the enactment of the \$100 provision.

Section 17 would also eliminate, at the discretion of the Secretary of the Treasury, the requirement of invoices certified by United States consulates.

Verification of documents would be permitted by a written declaration in lieu of the presently required oath by section 18. This is similar to authorization already permitted the Secretary of the Treasury in connection with documents required under the internal revenue laws.

Section 19 eliminates unnecessary paper work resulting from amendment of customs entries, thereby facilitating economical administration of the customs laws. It also eliminates the imposition of undervaluation duties on importers who without negligence or intent to deceive customs appraisers have entered merchandise at a value lower than that found to be applicable by customs appraisers.

In the case of commingled merchandise present law provides that where it is impossible to determine the different classes of merchandise all of the commingled merchandise shall be subject to the highest rate of duty applicable to any part of it, or if duty-free merchandise is commingled with dutiable merchandise, the merchandise is subject to duty.

Section 20 would increase from 10 to 30 days the time within which commingled merchandise may be segregated. It would also except from the operation of present law any part of a shipment which the importer can prove is commercially negligible or cannot be segregated without excessive costs and that the commingling was not to avoid payment of lawful duties. Also excepted would be shipments where proof is furnished by the importer that the value of the commingled merchandise is less than the aggregate value would be if the shipment were segregated, that the shipment is not capable of segregation without excessive costs, and that it was not commingled to avoid duties. The duty applicable in the case of commingled merchandise under the exceptions provided in section 20 is that which is applicable to the merchandise which is present in the greatest quantity.

Section 21 would permit greater discretion to the Secretary of the Treasury in correcting errors and mistakes in entries, appraisements, and so on, where the error or mistake is manifest.

Section 22 eliminates the requirement that the Secretary of the Treasury must publish the gold content of foreign coins. As we know, the gold standard has been abandoned in most of the world, and



this requirement is obsolete. The secretary would be required to keep a current list of published par values of foreign currencies.

Judicial interpretations of present law have resulted, in cases where warehouse receipts and other evidences of ownership of goods in bonded warehouses have been transferred, in the transferor and each transferee being able to protest assessments and liquidations. This has unnecessarily increased the work of customs employees.

Section 23 provides that a transferee shall not have a right to file a protest or to a separate liquidation unless rates of duties have been changed after he acquires his right to the merchandise.

Section 24 would vest in the Secretary of the Treasury discretion as to the degree of supervision of activities required to be under direct customs supervision.

Section 25 is the usual saving clause provision which preserves existing rights and liabilities under present law.

Mr. REED of New York. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. YOUNGER].

Mr. YOUNGER. Mr. Chairman, I call the attention of the Committee to the fact that the city of Washington is playing host for the next 3 days to the national champion drill team of the United States, the Spanish Dons, of Half Moon Bay, Calif. They will drill tonight at Fort Belvoir and tomorrow night at the Walter Reed Hospital and Sunday night they are going to take part in Ed Sullivan's program, the Toast of the Town, in New York. I call this to the attention of the Committee so that Members may avail themselves of the opportunity to see the champion drill team of the United States.

Mr. REED of New York. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Chairman, as has already been stated several times this afternoon, we are considering a bill that we have been calling the customs simplification bill. Well, if there is anything simple about it, I have not been able to find it yet. But, it is true that the customs business of our country is big business. I am afraid some of you and maybe most of you are a good deal as I have been—you probably have never paid much attention to the importance of the operations of the customs of our country. This is a matter that deserves our best attention because it is a big business. Of course, it does not apply as much to those who live in the interior of our country as it does to those who live on the coast. I wonder if you have ever thought just how big this business really is. The Government employs nearly 9,000 men and women doing this job of operating the customhouses in this country. In addition to that, I would just like to give to you these figures. For instance, in 1952 the Congress appropriated \$40,500,000 to operate this big business, and this business has been a very paying business. Because of the spending of this \$40,500,000 the Government collected in customs duties \$748 million. Last year the Congress appropriated \$41 million, the cus-

toms department spent \$40 million, and the customs authorities took in \$843 million. I think you will agreed with me that this is a very important agency of the Government.

Before we adopted the income-tax law, the Government sustained itself very largely from about four sources—the first and most important, I think, was the duty on imports. Another was the excise tax on tobacco and liquor. Another was the tax on the western lands, and that was not very much, and then the other source was the tolls we got from vessels passing through the Panama Canal. Of course, in those times the Government was operated on about \$2 billion or \$3 billion a year—which is quite a contrast to the astronomical figures to which our national expenses have come.

The consideration of this bill should be a little easier for the Members when I remind you that just 2 years ago the House went through this same procedure and passed a bill simplifying the customs practices—that bill was quite similar in some respects to this bill. It took us a long time to work out that bill. The Committee on Ways and Means worked at it for days. We had the experts before us. That bill passed the House without much objection.

The bill then went over to the other body, but they did not consider it and of course it did not become a law. Now we have the same task before us again and I am sure that this House will pass this bill that we have before us today because it has been much improved over the other bill.

I daresay to those of you who are lawyers who practiced in inland States that you do not know much about the laws controlling imports and exports. I judge that most of you are just like I am. I am a lawyer from an inland town; I did not know a thing about the law controlling imports and exports, and the code of procedure that applies to the administration of the customs laws and, in working on the preparation of this measure that we are considering here today, I have developed a great respect for this splendid branch of our Government and the fine, capable men who operate it.

There are only a comparatively few lawyers in the country who make their living in practicing before the customs agencies and the customs courts. I do not know how many there are, but I dare say there are probably no more than 3,000 or 4,000 in all the country who make their living in that business. Still it is a big business, and a complicated business. The men and women who form the staff for the operation of this big department are not much in the public eye, but they must be smart and alert to carry on this work, much of which is very confidential and involves foreign people and foreign governments.

This year it was decided that we would again try to bring to this Department and to the Government the relief to which they were entitled. Therefore, our good chairman put that duty and responsibility upon me. We proceeded to pre-

pare a bill. We consulted those who were most vitally interested. I mean the importers and exporters of the country. We consulted the Treasury Department, under which the collection of the customs duties is done. And, incidentally, I want to say that if the Treasury Department is as well-manned and well-equipped in every one of its branches as it is in the customs branch, it is better equipped than it ever has been before. I do not think that the customs branch has ever been as well equipped as it is now. I am glad to pay this compliment to the ladies and gentlemen with whom I and the Ways and Means Committee have contacted in the preparation of this legislation. I want to pay a special compliment to Mr. Chapman Rose, the Under Secretary of the Treasury, and to Mr. Johnson, who is one of the chief administrators in the Customs Bureau. Their knowledge of the rights and responsibilities of the customs department proves them to be brilliant and competent officials.

We also had before us—and when I say “we” I mean the committee; and it was not a subcommittee, either. Many very smart and capable businessmen who were vitally interested in the matter of the collection of custom duties.

It has been brought out here that there were no hearings on these matters, but we did have very extensive and exhaustive hearings. We had 3 or 4 days of hearings. We invited everybody. Of course, those people who were interested in customs simplification naturally came before the committee, because it is their business. Any of the Members of the House who have had experience know that if they were considering an important matter, say, in the Committee on Interstate and Foreign Commerce, the people interested in the particular proposed legislation would be present before the committee. That is the way we found it.

We found that the best lawyers in the country who make their living practicing this particular branch of the law before the customs courts and before the commissions, in Washington, in San Francisco, in Savannah, in all the ports of the country, were present.

They brought in their suggestions as to how this procedure could be improved by law and as to what ought to be done.

When the hearings were completed, we called before us the experts of the Government, who went over all the testimony given in the hearings, and gave us a complete summary of all the testimony. Those recommendations that had been made by many different persons we naturally were inclined to follow. Those recommendations that were controversial we gave serious consideration, with the purpose of trying to put into law what was best.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield to the distinguished chairman of our committee.

Mr. REED of New York. I want to say that many who did not appear personally had the opportunity, and took advantage of it, to file briefs expressing their views.



Mr. JENKINS. Yes. And in addition to those who came before the committee, quite a number filed briefs. I have in my hand a copy of the hearings. There are about 225 pages of the hearings.

When we came to consider the hearings in the committee, again we called these experts in to find out what were the faults, what were the criticisms that could be made to the testimony that had been presented to us, and what were the provisions that they would recommend to be inserted in the proposed bill.

We found that there were some complaints against the original bill. Those who had complaints came in and aired them. Members of the committee did the same thing. Finally we thought we had a pretty good bill covering the whole situation. After doing everything that is reasonably possible in such situations we decided to rewrite the original bill. Then we introduced a new bill, which is H. R. 5877. This is the bill that we are considering today.

After H. R. 5877 came back to us from the printer, we had another meeting of the full committee and we proceeded to consider it. In the meantime, two or three interested groups had indicated that they had some items or amendments in mind. We, the members of the committee in regular session, had exhaustive hearings with respect to these proposed amendments. Mr. EBERHARTER, member of the committee, had some people who were interested in certain proposed amendments and some other members had people who were interested in some other proposed amendments. The gentleman from Michigan [Mr. Knox] had a problem that we had had up 2 years ago. He brought that problem back before the committee in a modified form.

The committee accepted the Eberharter amendment and the amendment offered by Mr. Knox. Later on in this general debate I am sure that these gentlemen will appear before you and give their reasons for offering and passing their respective amendments. As far as I am concerned, they have considerable merit. Of course, these amendments may not have as much merit as their proponents think they have, but that is not an uncommon situation in this House. That is nothing uncommon from the floor of the House. That is why the House of Representatives in the greatest legislative body in the world.

I just want to say one word about the Eberharter amendment, if you please, and that is this: The basis of the Eberharter amendment is that we try to protect our country against surplus imports, we try to protect our factory workers and our businessmen against those countries that pay a bonus to their manufacturers. We call it a bounty. Take for instance some country such as Japan: It pays its manufacturers an extra amount of money more than the cost of labor so they can go into the markets of the world. They pay the duty that we assess and still sell below producers in our country. The law now provides that when our experts and those who administer the law find that out, find that a country is paying its manufacturers a

bounty to permit them to sell in our markets, then we get ready to raise the barrier against them, we get ready to raise the import duty against them. That is the law now.

The Eberharter amendment would provide that in addition to that Americans complaining against foreign imports would also have to show injury. That is a pretty hard thing to do, of course, as any of us know who have ever had to meet a proposition of that kind advanced in the enforcement of law. What is an injury to an industry or to the farmers? An injury to the steel people might not be an injury that the cotton people would suffer, and an injury that the cotton people would suffer would not be one that the pottery people would suffer; so it is a very difficult thing to prove injury. Consequently you can naturally expect that there will be differences of opinion with reference to a matter of that kind.

The same applies to the amendment offered by the gentleman from Michigan [Mr. Knox]. I am not going into that amendment in detail for I am sure the gentleman from Michigan will explain it more fully and more completely than I can. But I want to say that this bill represents the very best that our committee can do—I do not mean the subcommittee now, I mean the whole committee—can give to the Congress; and I hope this bill will be passed by a larger vote today and will get over to the Senate in time so that that body can take it up and pass it in a few days, I am sure the same experts from the different departments that came before us will appear before the Senate committee, and other people interested will be there also. No doubt the Senate will have open hearings so that anyone who wants to come may do so just as we did in the Ways and Means Committee. The hearings were open to anybody who wanted to come. So as we finish the work on this bill we think it is about the best we can do. I make that statement because lawyers working with us said so, because the different departments of the Government had said so. Experts from New York and other ports came to Washington and said so. Here we have a bill that will take care of all these interests. Then we have the Customs Bureau here in Washington presided over by men of great ability who have been coming before us for years; and I want to say in their behalf I think there is no part of the Government any better taken care of than the Customs section of the Government.

Mr. JONAS of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield.

Mr. JONAS of North Carolina. I wish to say to the gentleman from Ohio that as far as I am concerned at least, and I believe I can speak for those who discussed the matter when the rule was under consideration, that no criticism of the Ways and Means Committee was intended when reference was made to lack of hearings; we were discussing the Eberharter and Knox amendments, not the bill itself. I intend to vote for the bill. I am going to vote against the Eber-

harter amendment because no hearings were held and I believe those interested should have a right to be heard before a controversial bill of this importance should be passed. I am not sure whether I will vote for the Knox amendment or not. I am going to support the bill and I would not want the committee to think that those of us who raised the question of lack of hearings had any reference whatever to the bill itself; the reference was to the two amendments.

Mr. JENKINS. With reference to the matter of lack of hearings in the committee; of course, after the bill was introduced and a new bill voted out we had hearings on the matter in executive session, and practically every member of the committee was present. Experts came up 2 or 3 different times from the executive departments; so we did have rather good hearings in that respect. Of course, you cannot blame your constituents or my constituents for not having been alert to all the activities of the committee there because they did not know about them. That is why we are here. If everything were perfect they would not need to send the various Congressmen here to represent the different districts. You have a right to present your matter; you have a right to debate it, but because this rule will not permit the offering of amendments the time for you to ask questions and speak out is right now during general debate.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield.

Mr. McCORMACK. We heard quite a lot said some minutes ago about trade, not aid. It was a nice sounding slogan. I think my friend will agree with me it was nothing but a slogan. I can remember some weeks ago I told certain people I had met for the first time that, in my opinion, the most that could be expected would be an extension of the reciprocal trade agreement law for 1 year and the possible passage of the Customs Simplification Act which I think is important in connection with business. It is fair to say that no more legislation will come out of the committee this session other than the two bills I just referred to?

Mr. JENKINS. The reciprocal trade agreements bill will come out; that is, the last half of that bill. The original bill was cut in two. Half of it has been passed by the House and the other half that the gentleman is interested in is to come yet and I feel sure it will be considered by this House.

Mr. McCORMACK. You would not call it a bill to carry out the slogan of trade, not aid?

Mr. JENKINS. No; it is just the reverse. As far as I am concerned, this trade and aid proposition is all right in its place and some times but at the same time I have not forgotten who made this great country of ours. I have not forgotten who is making it now. I have not forgotten who lives here and who pays the taxes in this great country of ours. My theory is that we have to take care of them first before we take care of everybody else all over the world. I believe that we must keep our country



strong. Our mission in the world is to guarantee to our people life, liberty, and the pursuit of happiness, and the better and the longer we can do that is the best guarantee for peace among nations. We must be strong. Should we be so foolish as to spend ourselves into bankruptcy then God pity the world.

Mr. REED of New York. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. Knox].

(Mr. KNOX asked and was given permission to revise and extend his remarks.)

Mr. KNOX. Mr. Chairman, the amendment that is known as the Knox amendment, and which the gentleman from North Carolina [Mr. Jonas] has spoken about, is one that would permit manufacturers to send into Canada principally for processing where they are unable to process that particular metal product within their own plants. There have been periods of time when the industry has had breakdowns in the manufacturing plant and did not have the facilities to continue on with the work; so, therefore, they have exported the metal product over into Canada for processing, then imported it back to the United States.

Under the present law it is necessary for the manufacturers to pay a duty on the full amount of the cost of that particular commodity that is imported back into the United States after having been exported.

There has been some opposition, I know, to this amendment, and justly so; however, the amendment as it is now before you provides in section (A):

Any article of metal (except precious metal)—

Which would possibly be jewelry, watches, or that sort—

manufactured in the United States or subjected to a process of manufacture in the United States is exported for further processing.

The only product that is involved in this amendment is metal products. I know that the textile industry was quite concerned. I read several telegrams that Members showed me this morning about the provisions of this amendment. The first amendment we had before the committee, and we discussed it thoroughly with the full committee, would have left everything wide open, so that any manufactured product could have been exported and imported. But this amendment does not allow anything else but metal products.

Mr. JONAS of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. KNOX. I yield to the gentleman from North Carolina.

Mr. JONAS of North Carolina. I would like to ask the gentleman to turn to the amendment. Does that part which precedes A now appear in existing law?

Mr. KNOX. Yes. That is true.

Mr. JONAS of North Carolina. The new language which begins with the section labeled "A"?

Mr. KNOX. That is correct.

Mr. JONAS of North Carolina. So the reference in the paragraph above to "any article" is now in the law?

Mr. KNOX. That is in the law.

Mr. JONAS of North Carolina. And the new amendment does not affect that?

Mr. KNOX. That is correct.

It has been necessary for industry—I speak of the Detroit area—to ship to Algoma, at Sault Ste. Marie, Canada, which is across the river from Sault Ste. Marie, Mich., metal products in order to have them processed, because there was no other plant accessible to the manufacturer to have this particular work done upon that particular product. Now, you all know, I believe, what the cost of transportation in your own home-towns amounts to when you have to transport metal products, getting it out of the plant, getting it on the truck, then trucking it to its destination to have the processing done and the same thing happening on the return journey, removing from the Canadian plant, coming back on the truck to the United States again and back into the home plant for further processing. This applies only in emergency situations. This will provide that a manufacturer would pay just the cost upon that processing that was done. I am speaking of Canada, because that is the principal question involved here. The manufacturer would pay the cost upon the processing that would be done in Canadian factories.

Mrs. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. KNOX. I yield to the gentleman from Illinois.

Mrs. CHURCH. The gentleman from Michigan has certainly aroused my curiosity about this. I am wondering whether or not the plant to which the American company ships the product is owned by the American company.

Mr. KNOX. It could be and it could not be. In this particular case the Algoma Steel Co. is not an American-owned plant.

Mrs. CHURCH. Can the gentleman tell me how much benefit would result from this process; in other words, how many industries would be affected in various localities other than the Detroit area?

Mr. KNOX. I believe it would be very minor because of the great cost of transportation of these articles into Canada. This is just in case of an emergency. It is not a case that would be practical continuously because of the fact that your Canadian wage scales today are comparable to our American wage scales, so there would be no advantage as far as industry is concerned. But it is a matter of expediting the manufacture of that particular product.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. KNOX. I yield to the gentleman from Michigan.

Mr. RABAUT. The gentleman might explain that the peak load in the automotive industry will make this necessary at times.

Mr. KNOX. That is very true. It very often hits the automotive industry. Of course, this also has reference to the defense industries. We all know that Detroit is known as the arsenal of democracy. It has produced a terrific amount of materiel for the war effort. I do not know, as I am not too familiar with the provision as far as it relates to the auto-

motive industry, but if you have a shut-down in one portion of your plant in the automotive industry it affects the entire line, whereas if they could send the product to Canada and have the processing done there until the proper repairs could be made, then they could proceed in a normal manner.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. KNOX. I yield to the gentleman from Ohio.

Mr. JENKINS. The gentleman used the words "metal products." There has been apprehension that it might affect other lines. Take Mexico, for instance. Somebody could send leather or cotton goods of some kind down into Mexico, and they could decorate them, and add the labor to it, and bring it back to be sold in competition with American goods, and that is what a lot of people are afraid of. They were afraid it would affect watches and many other commodities. But, when you insert the word "metal" in your amendment, you shut the door on about everything except the people who would more or less be in the heavy metals industry.

Mr. KNOX. That is correct. It also provides "except precious metals," which will take in jewelry and other things of that sort. It would not be possible to ship them out and bring them back just on the cost of processing. It would apply to the total cost of that particular product.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. KNOX. I yield.

Mr. RHODES of Arizona. Does the gentleman's amendment define the word "processing"? In other words, what sort of processing would be necessary to comply with the terms of that amendment?

Mr. KNOX. The word "processing" in this particular case would refer to the portion of the work that had to be done on the particular product.

Mr. RHODES of Arizona. The way I understood the gentlemen, I thought it might be possible for the same thing to happen as the gentleman from Ohio mentioned, that perhaps a piece of steel could be shipped across to Canada and come back as an automobile.

Mr. KNOX. No, it cannot do that, because of the fact that this amendment provides just for that portion of the processing of it.

Mr. JONAS of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. KNOX. I yield.

Mr. JONAS of North Carolina. What does Canada do with respect to the contrary situation?

Mr. KNOX. I am happy the gentleman brought up that question, because this morning through a telephone conversation with the Canadian consul they advise that if the Congress should pass this bill they will initiate the same type of bill in Canada, to reciprocate.

Mr. JONAS of North Carolina. I understand that today there is no such reciprocal agreement.

Mr. KNOX. Yes, today it is identical in Canada as in the United States.

Mr. JONAS of North Carolina. Canada has the same situation you are try-



ing to change in so far as the United States is concerned?

Mr. KNOX. The present situation is identical.

Mr. JONAS of North Carolina. Then would such an arrangement as the gentleman contemplates not more properly be the subject of a reciprocal trade agreement between the two countries? Should not both countries do this at the same time, instead of Congress making this provision with respect to our side and then expecting Canada to reciprocate?

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. KNOX. I yield.

Mr. REED of New York. Would not this really be the case, that in time of war there were certain industries on the Michigan side of the Soo River and the Detroit River that were to make a certain line of defense products, but they did not have the facilities for doing certain kinds or putting on the finishing touches but Canada did have factories so equipped that they could do that?

Mr. KNOX. That is correct.

Mr. REED of New York. That is what led to this situation?

Mr. KNOX. That is right.

Mr. REED of New York. So that any time there was an emergency they would have had to build factories and spend millions of dollars, and the delay would not have warranted it, to do that little bit of processing, when factories equipped to do it existed just across the line?

Mr. KNOX. That is right, and the amount of time that would be consumed in building a plant in that particular area would not warrant it.

Mr. CAMP. Mr. Chairman, will the gentleman yield?

Mr. KNOX. I yield to the gentleman from Georgia.

Mr. CAMP. Does the gentleman's amendment apply to sending any kind of textiles into a foreign country for work to be done on them?

Mr. KNOX. It does not. It applies to metal products only.

Mr. CAMP. I knew it did not, but I just wanted to get that in the RECORD. As I understand, the gentleman's amendment applies only to metal products?

Mr. KNOX. That is correct.

Mr. CAMP. It does not apply to precious metal products?

Mr. KNOX. The gentleman is correct.

Mr. JONAS of North Carolina. I would like the gentleman to speak to the point I made a few moments ago. The gentleman started to answer but was interrupted.

Mr. KNOX. What was the gentleman's question?

Mr. JONAS of North Carolina. It was whether this arrangement the gentleman contemplates would not more properly be the subject of an agreement between the two countries, in which both countries would do this simultaneously.

Mr. KNOX. I feel every confidence, and I believe the committee does, that after careful consideration the amendment I am offering will be found ger-

mane to the bill. It deals directly with the question of customs regulations.

Mr. BYRNES of Wisconsin. Mr. Chairman will the gentleman yield?

Mr. KNOX. I yield.

Mr. BYRNES of Wisconsin. I think, in answer to the statement of the gentleman from North Carolina, it must be stated, even though our executive branch could enter into an agreement probably with Canada to make a change and have a reciprocal arrangement, it would still be necessary that the Congress act and write the change into law, making it permissive that this be done. The same thing is possibly true, as far as the Canadian situation is concerned. So, sooner or later, one legislative branch is going to have to take the initiative, and, as I understand it, in this case we are going to take the initiative, and the gentleman has an understanding from the Canadian Embassy that if we do accept this amendment and write it into our law, Canada will take the necessary steps to grant a similar privilege, as far as goods going from Canada into the United States and back to Canada so as to make the treatment fully reciprocal.

Mr. KNOX. I thank the gentleman for his statement. That is absolutely correct. I have been so informed this morning by telephone that that will be the next act of the Canadian Government, to initiate necessary legislation so that we will have reciprocal trade in that form.

Mr. REED of New York. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. GOODWIN].

[Mr. GOODWIN addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. REED of New York. Mr. Chairman, I yield 7 minutes to the gentleman from Michigan [Mr. OAKMAN].

Mr. OAKMAN. Mr. Chairman, I wish to speak in favor of the proposed amendment as it offers a commonsense approach to an economic problem and would be in the best interest of industry and the general public—the tax-paying public who also foots the final bill for the cost of manufacturing the articles which he consumes. There are times along the Canadian border when certain manufacturing facilities are inadequate or lacking in some respect, making it necessary to farm out goods to Canadian plants for further processing. This is an expensive inconvenience because of high costs of handling and of transportation involved, but obviously there are times when it does become absolutely necessary in order to maintain production and employment at continuing high levels. For American manufacturing plants located near the Canadian border who farm out goods for further processing, just like plants in other parts of the country, present law imposes a penalty on the consumer if the commodities are further processed in Canadian plants. The duty on the reimported, further processed commodities should rightfully be on only the value added. But it is not. It is totally unfair—and unrealistic—to place the duty on the total value of the reim-

ported product because thereby duty is assessed on American manufacture, and on American labor, and it is the consumer—who also pays taxes—who foots the final bill.

Consumers all over the country use the products of our plants located near the Canadian border. These consumers have had to pay the extra bounty on such things as, first, idler wheel rims which were exported for having a flange turned on the edge; second, lever arms for adding machines which were sent over to have angles bent in the arms; third, piston rings which were exported for a rough-grinding operation; and fourth, castings and forgings sent over for grinding and drilling operations.

These aforementioned products, like many other products manufactured in the United States near the Canadian border, are used all over our Nation, and I submit it is unfair and unrealistic to assess a duty on a reimported, further-processed commodity on the basis of the present law. Adequate precedent has been established with respect to books and sound recordings as follows:

Paragraph 1410 of the Tariff Act of 1930 provides:

That exported books of domestic manufacture, when returned to the United States after having been advanced in value or improved in condition by any process of manufacture or other means shall be dutiable only on the cost of materials added and labor performed in the foreign country.

Paragraph 1726 of the act provides for free entry of:

Sound recordings transcribed or recorded abroad for radio or television news broadcasts in the United States, or suitable for use in reproducing sound in connection with moving-picture newsreels undeveloped negative moving-picture film of American manufacture exposed abroad for silent or sound newsreel.

I, therefore, support the logical and realistic change embodied in the proposed amendment and urge its adoption.

Mr. MILLS. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Mr. Chairman, the issue of high tariffs and low tariffs has been a historic one. The halls of this Congress have reverberated for many, many years over the question of high tariffs and low tariffs; barriers to trade, or more free trade, the principle of the necessity of trading with other nations in the world.

The issue was very much in the forefront 6 months ago when the slogan was used very extensively, "More trade, not aid."

I am afraid, Mr. Chairman, that when the final record of this Congress is made, it will show that this Congress has put more barriers to trade on the books than have been enacted in the past 20 years.

We are faced today with that issue, whether or not one of the chief barriers to the free flow of trade will be removed or whether we will go backward to the old policy of high tariffs, high protection to the industries of the United States.

Mr. Chairman, it was always my belief that the principal argument of those advocating high tariffs was our



protection, the protection of American business, protection of American industry, protection of American agriculture, protection of American jobs.

In an amendment which will be offered to this measure, and which I approve, as I approve the measure itself wholeheartedly, there is contained an absolute protection to industry, protection to business, protection to the workingmen and women of America, and protection to agriculture.

The amendment which will be offered by the committee says very plainly that—

Such countervailing duties shall be imposed only if the Secretary of the Treasury shall determine after such investigation as he deems necessary that an industry in the United States is being or is likely to be injured or is prevented or retarded from being established by reason of the importation into the United States of articles or merchandise of the class or kind in respect of which the bounty or grant is paid or bestowed.

Mr. Chairman, in my opinion such language cannot be construed as anything else but perfect protection for every industry in the United States. Coupled with that, of course, there must be a finding by the Secretary of the Treasury that a bounty is being paid by a foreign country to an exporter of goods to the United States. When this original act was passed giving the right to the Secretary of the Treasury to impose a countervailing duty of course the money markets were pretty stable, one system was used all over the world; you might say the rate of exchange was well recognized, and it stood for months and months, perhaps years, before it changed in value. But today, Mr. Chairman, practically every country in Latin America and in South America finds it necessary in order to exist financially to use a multiple system of exchange. It is absolutely necessary, in many instances, otherwise their governments might collapse, they would go bankrupt; so it has become the practice in many South American and Latin-American countries to have a multiple system of exchange.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield.

Mr. MASON. Would the gentleman please explain what a multiple system of exchange is so that people who have not been sitting in the committee with us may know what it means?

Mr. EBERHARTER. A multiple system of exchange is one whereby a country allows a different amount of money in American dollars for different types of goods; for some types you are allowed more, for others less. So it has become the practice in many of the Latin-American and South American countries as part of their taxing system, Mr. Chairman—and that is important, it is part of their taxing system to pay higher rates for the American dollars on certain items that are exported. In that manner the governments of these Latin-American countries obtain more of the American dollars that they need, and they export more of the goods that they do not need in their own country.

The law in force at the present time provides that if the Secretary of the Treasury finds that any country—any country in the world—is giving a subsidy on exports he shall impose a countervailing duty on that item or those items on which a subsidy is being paid. We know as a matter of fact today there are several South American countries that are paying a bounty on goods exported to the United States. The question has been before the Secretary of the Treasury for quite a while, and the Secretary in order to be fair about the thing, in order not to alienate every one of these South American countries that are paying bounties, states in effect—these are not his words—he states in effect: "I cannot really impose a countervailing duty upon every country in Latin America and South America that is paying an export bounty. I ought to know first if an injury is being done to any industry in the United States by reason of this subsidy that is being paid."

Why should we in this country care what bounty is being paid as long as it does not injure the United States, does not injure the industry of the United States, does not injure its working people, does not injure its agriculture, does not injure any segment of the American economy? Why should we impose a countervailing duty on a country's exports that has no effect except to cost the American consumer more money? Aside from that, Mr. Chairman, under our policy of trade, not aid are we making friends by imposing countervailing duties when their exports do not do us any harm? They harm only the American consumer; they do not harm any industry in the United States, or its agriculture, or the workingman. I say it is a good way to lose friends and to make enemies, that compulsory, mandatory provision in the present act requiring the Secretary of the Treasury to impose a countervailing duty whether it is doing any harm to the people of this country or not; it is absolutely wrong.

If you want to go absolutely contrary to our policy, which has been enunciated by the last four Presidents of the United States and by the present President of the United States, vote down this amendment. That is how it will be construed all over the world.

You can attack this amendment because you have received a lot of telegrams, you can attack this amendment because the place is filled with lobbyists. That is what is going on. I know it, and every member of this committee sitting here knows it.

Are we going to legislate by telegrams from special pleaders? Let it go down on the record that you are turning down the amendment and going contrary to every policy and principle we have acted upon in this country for the last 20 years. Turn down your Secretary of the Treasury, turn down your Secretary of State, turn them all down, this is a Congress that refuses to go along with enunciated principles. We are giving merely lip service—that is what we are doing—to the policy of "trade, not aid."

I wish there could be a record vote on this. I wish we could have direct word

from the President of the United States. Let the State Department send word all over the world that we in Congress are affirmatively continuing barriers to trade that have no effect whatsoever on American industry. That is what failure to adopt this amendment will do.

Mr. Chairman, we know some manufacturers in this country have sent hundreds and hundreds of telegrams down here, including the National Association of Wool Manufacturers, trying to defeat this amendment.

On July 2 of this year a letter was sent by the National Association of Wool Manufacturers, the same people who sent you the telegrams, to members of their association. I will not read the whole letter but here is a part of it:

As already advised by the Secretary, considerable time at the Directors Meeting June 16, was devoted to tariff matters.

Foremost was the report of a special committee established to explore the question of the Duty on Apparel Wool which resulted in a recommendation of a duty-free greasy wool policy. A copy of this committee's report, as unanimously endorsed by the Directors present, is enclosed.

Mr. Chairman, I suppose that members of the committee here know that the wool manufacturers and the growers of wool have cooperated in the past in order to have a high tariff on wool, both greasy wool, tops, and every other kind of merchandise manufactured from wool. This is all confidential, too.

You see here a case where the wool manufacturers are pulling the rug out from under the wool-growing States, so you Members who represent the wool-growing States should not think you are going to get help for protection for your own industry since the wool manufacturers under the direction of their board of directors have said: "We want duty-free wool."

Here is another part of this letter:

In closing it should be noted that the recommendation of the Directors on the enclosed report represents a basic departure from the Association's present policies. The most careful consideration of the members is, therefore, earnestly solicited so that should a "raw wool free of duty" policy be adopted it can be said to reflect the studied conclusions of the membership.

So, you Members from the wool-growing States, do not pay too much attention to that telegram you received within the last few days from the National Association of Wool Manufacturers.

Now, Mr. Chairman, I am going to refer to a little pamphlet that I have here entitled "Duty on Apparel Wool (Not for Publication)." This is a report to the board of directors of the National Association of Wool Manufacturers by a special committee, June 16, 1953. That is less than a month ago. Here is what it says:

(Not for publication)

This committee recommends endorsement of a duty-free policy on greasy wool for the association.

In other words, they think they are writing the tariff laws, and may be they are, judging by the shift of sentiments since the telegram they sent. I quote further from the report:



By this action it does not wish to infer opposition to any future proposals of the growers seeking Government assistance by other means on grounds of national interest. The committee recognizes there are some risks in this position, but it believes the risks of not assuming it are even greater.

Now I want to read one other thing in here that is very, very interesting:

Also to be considered in an evolution of this nature—

Evolution? They mean a change in their policy—

is the risk of having the existing inadequate ad valorem duty on manufacturers—

You see, it is inadequate on manufacturers but they want it free as far as the wool grower is concerned—

the portion of duty designed to afford direct protection to the American manufacturer, further reduced.

Those of you who received telegrams should listen to this:

It must also be recognized that should this industry abandon its former policy of support to the wool growers for protective duty—

I can hardly read this without laughing—

its chance of maintaining the political support for protection on manufactures from Senators and Congressmen from wool-growing States is nil.

Would that not make you laugh except that it affects a fundamental policy of these United States? That is what you are passing on. I know that the world will go out all over the world what this Congress has done, and I know the record will be written when the session is over, that we are going back to a high tariff policy. I thought that was the opposite of what both parties intended. Evidently, judging by some of the remarks made today, we might as well just shut our doors to our friends and neighbors in the southern part of these Americas, shut out trade with the countries across the seas, and depend upon ourselves alone. If you defeat this amendment, I say it is the best thing you could possibly do to lose friends and make enemies.

Therefore, Mr. Chairman, I hope the amendment will be adopted.

Mr. SMITH of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield.

Mr. SMITH of Mississippi. The proposal has been made by several of the agricultural leaders of the country, including the distinguished chairman of the House Committee on Agriculture, that may be necessary in the interests of developing a better export system for agricultural products such as wheat and possibly some of the other agricultural commodities to set up a two-price system for these commodities; in other words, a system that would approach the type of system that is used by some of the countries in South America whom today we are shutting out. If we adopt the two-price system for agricultural commodities yet refuse to allow commodities of the same nature from other countries to come into our country without a double taxation, so to speak, will

we not be defeating our effort to improve the export commodity market?

Mr. EBERHARTER. I think the gentleman is absolutely correct, because no man who is well versed in economics will deny the fact that it is absolutely necessary for some of these countries to have a multiple rate of exchange system. I hope we are not in that position in the United States today. But if we are going to say to all the rest of the world that uses this multiple rate of exchange system, "We are going to penalize you because you are not using the same system as we in the United States use," I would say that if a perfect way to become an isolated country, to tear down our trade practices of many years past built up so we would have an expanded trade, and to erect barriers and do everything to stifle the expansion of our own exports. Much of our profits in industry and agriculture in this country are made from the exports we make to other countries, that is, the extra sales that bring profits to American industry and American agriculture.

Here is a copy of the Treasury Department letter and enclosure:

TREASURY DEPARTMENT,  
Washington, June 1, 1953.

Hon. DANIEL A. REED,  
Chairman, Ways and Means Committee,  
House of Representatives,  
Washington, D. C.

MY DEAR MR. REED: During the course of my testimony before the Committee on Ways and Means on H. R. 5106, the customs simplification bill, I indicated that the Treasury Department had additional suggestions for customs simplification legislation that were not included in H. R. 5106, and Mr. EBERHARTER requested that they be made available to the committee.

I was referring to a proposal that has been the subject of prior discussion which would (a) add an injury requirement to section 303 of the Tariff Act regarding the imposition of countervailing duties, and (b) transfer to the Tariff Commission the jurisdiction to determine injury in cases arising under the antidumping statute and under section 303.

However, in view of the President's request to the Congress for a commission to review foreign economic policy the Treasury does not wish to suggest (b) above for present consideration by your committee. Provisions transferring the Treasury's present injury-finding determination under the Antidumping Act to the Tariff Commission and giving the Tariff Commission the authority to determine injury in countervailing duty cases are appropriate for consideration by the proposed commission in connection with a review of the proper role of the Tariff Commission and other agencies of the Government in this field.

For the present, the Treasury Department believes that the one addition to H. R. 5106 which it would now recommend is an amendment to section 303 of the Tariff Act providing that countervailing duties should be imposed only where injury exists or is threatened to a domestic industry. The Department suggests consideration of the enclosed draft amendment to section 303 of the Tariff Act which would accomplish this purpose. I am sending a copy of this letter and its enclosure to Mr. EBERHARTER and Mr. JENKINS.

Very truly yours.

H. CHAPMAN ROSE,  
Assistant Secretary of the Treasury.  
[Enclosure.]

Section 303 of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1303) is amended by inserting at the end of the first sentence:

"Such countervailing duty shall be imposed only if the Secretary of the Treasury shall determine, after such investigation as he deems necessary, that an industry in the United States is being or is likely to be injured, or is prevented or retarded from being established, by reason of the importation into the United States of articles or merchandise of the class or kind in respect of which the bounty or grant is paid or bestowed."

The CHAIRMAN. Under the rule, the bill is considered as having been read for amendment.

The bill is as follows:

*Be it enacted, etc.—*

#### SHORT TITLE AND EFFECTIVE DATE

SECTION 1. This act may be cited as the "Customs Simplification Act of 1953" and shall be effective, except as otherwise specially provided for, on and after the thirtieth day following the date of its enactment.

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- Sec. 25. Saving clause.

#### REPEAL OF OBSOLETE ACCOUNTING PROVISIONS

SEC. 2. (a) The following sections of the Revised Statutes (relating to obsolete functions of customs officers and functions of such officers now provided for by other laws) are hereby repealed:

Revised Statutes 2621, as amended (U. S. C., 1946 ed., title 19, sec. 33).

Revised Statutes 2622, as amended (U. S. C., 1946 ed., title 19, sec. 34).

Revised Statutes 2623, as amended (U. S. C., 1946 ed., title 19, sec. 35).

Revised Statutes 2626, as amended (U. S. C., 1946 ed., title 19, sec. 39).

Revised Statutes 2639, as amended (U. S. C., 1946 ed., title 19, sec. 42).

Revised Statutes 2640, as amended (U. S. C., 1946 ed., title 19, sec. 43).

Revised Statutes 2641, as amended (U. S. C., 1946 ed., title 19, sec. 44).

Revised Statutes 2643, as amended (U. S. C., 1946 ed., title 19, sec. 45).

(b) Section 439 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1439) is amended by deleting "the comptroller of customs for the district in which the port



of entry is located" and substituting therefor "such employee as the Secretary of the Treasury shall designate," and by deleting "said comptroller of customs" and substituting therefor "such employee designated by the Secretary."

(c) Section 440 of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1440) is amended by deleting "the comptroller of customs for the district in which the port of entry is located" and substituting therefor "such employee as the Secretary of the Treasury shall designate."

(d) Section 523 of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1523) is amended to read as follows:

"SEC. 523. Examination of accounts.

The Secretary of the Treasury or such officer or employee as he shall designate, shall, under regulations and instructions prescribed by the Secretary—

"(1) examine the collectors' accounts of receipts and disbursements of money and receipts and disposition of merchandise; and

"(2) verify, to such extent as the Secretary of the Treasury shall direct, assessments of duties and taxes and allowances of drawback."

#### EFFECTIVE DATES OF RATES OF DUTY

SEC. 3. (a) Section 315 of the Tariff Act of 1930, as amended (U. S. C., 1946 ed., title 19, sec. 1315), is further amended to read as follows:

"SEC. 315. Effective dates of rates of duty.

"(a) Except as otherwise specially provided for, the rates of duty imposed by or pursuant to this Act or any other law on any article entered for consumption or withdrawn from warehouse for consumption shall be the rate or rates in effect when the documents comprising the entry for consumption or withdrawal from warehouse for consumption and any estimated or liquidated duties then required to be paid have been deposited with the appropriate customs officer in the form and manner prescribed by regulations of the Secretary of the Treasury, except that—

"(1) any article released under an informal mail entry shall be subject to duty at the rate or rates in effect when the preparation of the entry is completed; and

"(2) any article which is not subject to a quantitative or tariff-rate quota and which is covered by an entry for immediate transportation made at the port of original importation under section 552 of this act, if entered for consumption at the port designated by the consignee, or his agent, in such transportation entry without having been taken into the custody of the collector under section 490 of this act, shall be subject to the rate or rates in effect when the transportation entry was accepted at the port of original importation.

"(b) Any article which has been entered for consumption but which, before release from customs custody, is removed from the port or other place of intended release because of inaccessibility, overcarriage, strike, act of God, or unforeseen contingency, shall be subject to duty at the rate or rates in effect when the entry for consumption and any required duties were deposited in accordance with subsection (a) of this section, but only if the article is returned to such port or place within 90 days after the date of removal and the identity of the article as that covered by the entry is established in accordance with regulations prescribed by the Secretary of the Treasury.

"(c) Insofar as duties are based upon the quantity of any merchandise, such duties shall, except as provided in paragraph 813 and section 562 of this act (relating respectively to certain beverages and to manipulating warehouses), be levied and collected upon the quantity of such merchandise at the time of its importation.

"(d) No administrative ruling resulting in the imposition of a higher rate of duty or

charge than the Secretary of the Treasury shall find to have been applicable to imported merchandise under an established and uniform practice shall be effective with respect to articles entered for consumption or withdrawn from warehouse for consumption prior to the expiration of 30 days after the date of publication in the weekly Treasury Decisions of notice of such ruling; but this provision shall not apply with respect to the imposition of antidumping duties."

(b) Section 484 (f) of the Tariff Act of 1930, as amended (U. S. C., 1946 ed., title 19, sec. 1484 (f)), is further amended by changing the period at the end to a semicolon and adding "except that, in the case of articles not subject to a quantitative or tariff-rate quota, entry for the entire quantity covered by an entry for immediate transportation made under section 552 of this act may be accepted at the port of entry designated by the consignee, or his agent, in such entry after the arrival of any part of such quantity at such designated port or at such other place of deposit as may be authorized in accordance with regulations prescribed by the Secretary of the Treasury."

#### MARKINGS

SEC. 4. (a) Paragraphs 28, 254, 355, 357, 358, 359, 360, 361, and 1553 of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1001, pars. 28, 354, 355, 357, 358, 359, 360, 361, and 1553) are amended as follows:

Paragraph 28 is amended by deleting from subparagraph (f) "the immediate container and".

Paragraph 354 is amended by deleting the second proviso.

Paragraphs 355, 357, 358, 359, 360, and 361 are amended by deleting the provisos.

Paragraph 1553 is amended by deleting both provisos.

(b) The following sections of the Revised Statutes are repealed:

Revised Statutes 2934 (U. S. C. 1946 ed., title 19, sec. 134).

Revised Statutes 2885 (U. S. C., 1946 ed., title 19, sec. 273).

Revised Statutes 2886 (U. S. C., 1946 ed., title 19, sec. 274).

(c) Section 304 (a) (3) of the Tariff Act of 1930, as amended (U. S. C., 1946 ed., title 19, sec. 1304 (a) (3)), is further amended by deleting "or" at the end of subdivision (I); by changing the period at the end of subdivision (J) to a semicolon and by adding "or"; and by adding a new subdivision (K) as follows:

"(K) Such article cannot be marked after importation except at an expense which is economically prohibitive, and the failure to mark the article before importation was not due to any purpose of the importer, producer, seller, or shipper to avoid compliance with this section."

#### TRANSPORTATION OF LEAD-BEARING AND ZINC-BEARING ORES

SEC. 5. (a) Paragraph 391 of the Tariff Act of 1930, as amended (U. S. C., 1946 ed., title 19, sec. 1001, par. 391), is further amended by changing the colon at the end of the first proviso to a period; and by amending the rest of the paragraph to read as follows: "The Secretary of the Treasury is authorized to make all necessary regulations to enforce the provisions of this paragraph."

(b) Paragraph 393 of the Tariff Act of 1930, as amended (U. S. C., 1946 ed., title 19, sec. 1001, par. 393), is further amended by changing the colon at the end of the first proviso to a period; and by amending the rest of the paragraph to read as follows: "The Secretary of the Treasury is authorized to make all necessary regulations to enforce the provisions of this paragraph."

#### REPEAL OF CERTAIN OBSOLETE RECIPROCAL PROVISIONS

SEC. 6. (a) Paragraph 812 of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1001, par. 812) is amended by deleting the proviso

(relating to the importation of spirits in certain containers).

(b) Section 320 of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1320), relating to reciprocal agreements covering advertising matter, is repealed.

#### AMERICAN GOODS RETURNED

SEC. 7. Paragraph 1615 (f) of the Tariff Act of 1930, as amended (U. S. C., 1946 ed., title 19, sec. 1201, par. 1615 (f)), is further amended by adding at the end thereof the following new sentences: "When because of the destruction of customs records or for other cause it is impracticable to establish whether drawback was allowed, or to determine the amount of drawback allowed, on a reimported article excepted under subparagraph (e), there shall be assessed thereon an amount of duty equal to the estimated drawback and internal-revenue tax which would be allowable or refundable if the imported merchandise used in the manufacture or production of the reimported article were dutiable or taxable at the rate applicable to such merchandise on the date of importation, but in no case more than the duty and tax that would apply if the article were originally imported. In order to facilitate the ascertainment and collection of the duty provided for in this subparagraph, the Secretary of the Treasury is authorized to ascertain and specify the amounts of duty equal to drawback or internal-revenue tax which shall be applied to articles or classes or kinds of articles, and to exempt from the assessment of duty articles or classes or kinds of articles excepted under subparagraph (e) with respect to which the collection of such duty involves expense and inconvenience to the Government which is disproportionate to the probable amount of such duty."

#### FREE ENTRY PROVISIONS FOR TRAVELERS

SEC. 8. Paragraph 1798 of the Tariff Act of 1930, as amended (U. S. C., 1946 ed., title 19, sec. 1201, par. 1798), is further amended to read as follows:

"PAR. 1798. (a) Professional books, implements, instruments, and tools of trade, occupation, or employment, when imported by or for the account of any person arriving in the United States by whom or for whose account they were taken abroad.

"(b) In the case of any person arriving in the United States who is not a returning resident thereof—

"(1) wearing apparel, articles of personal adornment, toilet articles, and similar personal effects; all the foregoing, if actually owned by and in the possession of such person abroad at the time of or prior to his departure for the United States, and if appropriate for his own personal use and intended only for such use and not for any other person nor for sale;

"(2) automobiles, trailers, aircraft, motorcycles, bicycles, baby carriages, boats, horse-drawn conveyances, horses, and similar means of transportation, and the usual equipment accompanying the foregoing; any of the foregoing imported in connection with the arrival of such person and to be used in the United States only for the transportation of such person, his family and guests, and such incidental carriage of articles as may be appropriate to his personal use of the conveyance; and

"(3) not exceeding \$200 in value of articles accompanying such a person who is in transit to a place outside United States customs territory and who will take the articles with him to such place.

"(c) In the case of any person arriving in the United States who is a returning resident thereof—

"(1) all personal and household effects taken abroad by him or for his account and brought back by him or for his account; and

"(2) articles (including not more than 1 wine gallon of alcoholic beverages and not more than 100 cigars) acquired abroad as an incident of the journey from which he is returning, for his personal or household use,



but not imported for the account of any other person nor intended for sale, if declared in accordance with regulations of the Secretary of the Treasury, up to but not exceeding in aggregate value—

"(A) \$200, if such person arrives from a contiguous country which maintains a free zone or free port (see subparagraph (d)), or arrives from any other country after having remained beyond the territorial limits of the United States for a period of not less than 48 hours, and in either case has not claimed an exemption under this subdivision (A) within the 30 days immediately preceding his arrival; and

"(B) \$300 in addition, if such person has remained beyond the territorial limits of the United States for a period of not less than 12 days and has not claimed an exemption under this subdivision (B) within the 6 months immediately preceding his arrival.

"(d) In the case of persons arriving from a contiguous country which maintains a free zone or free port, if the Secretary of the Treasury deems it necessary in the public interest and to facilitate enforcement of the requirement that the exemption shall apply only to articles acquired as an incident of the foreign journey, he shall prescribe by regulation or instruction, the application of which may be restricted to one or more ports of entry, that the exemption authorized by subdivision (2) (A) of subparagraph (c) shall be allowed only to residents who have remained beyond the territorial limits of the United States for not less than a specified period, not to exceed 24 hours, and after the expiration of 90 days after the date of such regulation or instruction, allowance of the said exemption shall be subject to the limitations so prescribed.

"(e) Any article imported to replace a like article of comparable value previously exempted from duty under subdivision (c) of this paragraph shall be allowed free entry if the article previously exempted shall have been exported, under such supervision as the Secretary may prescribe, within 60 days after its importation because it was found by the imported to be unsatisfactory.

"(f) All articles exempted by this paragraph from the payment of duty shall be exempted from the payment of any internal-revenue tax imposed upon or by reason of importation.

"(g) If any jewelry or similar articles of personal adornment having a value of \$300 or more which have been exempted from duty under subdivision (1) of subparagraph (b) or any article which has been exempted from duty under subdivision (2) (B) of subparagraph (c) is sold within 3 years after the date of importation, or if any article which has been exempted from duty under subdivision (2) of subparagraph (b) is sold within 1 year after the date of importation, without prior payment to the United States of the duty which would have been payable at the time of entry if the article had been entered without the benefit of this paragraph, such article, or its value (to be recovered from the imported), shall be subject to forfeiture. A sale pursuant to a judicial order or in liquidation of the estate of a decedent shall not be subject to the provisions of this subparagraph.

"(h) The Secretary of the Treasury shall prescribe methods and regulations for carrying out the provisions of this paragraph. No exemption provided for in this paragraph shall be applied to an article which is not declared in accordance with such regulations."

#### FREE ENTRY FOR NONCOMMERCIAL EXHIBITIONS

SEC. 9. (a) Paragraph 1809 of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1201, par. 1809), is amended by inserting "within 5 years after the date of entry hereunder" after "used contrary to this pro-

vision"; by inserting "within such 5-year period" after "at any time"; and by deleting "and the preceding."

(b) The conditions of any bond in force on the effective date of this act in respect of articles previously entered under the provisions of paragraph 1809 or the corresponding provisions of any Tariff Act prior to the Tariff Act of 1930 shall be deemed to have been satisfied upon the effective date of this act or upon the expiration of 5 years from the date such articles were entered, whichever is later, except with respect to any violation which has occurred or which shall have occurred before such time.

#### TEMPORARY FREE ENTRY FOR SAMPLES AND OTHER ARTICLES UNDER BOND

SEC. 10. (a) (1) The part of section 308 of the Tariff Act of 1930, as amended (U. S. C., 1946 ed., title 19, sec. 1308), following the heading and preceding the numbered items is amended to read as follows:

"The following articles, when not imported for sale or for sale on approval, may be admitted into the United States under such rules and regulations as the Secretary of the Treasury may prescribe, without the payment of duty, under bond for their exportation within 1 year from the date of importation, which period, in the discretion of the Secretary of the Treasury, may be extended, upon application, for one or more further periods which, when added to the initial 1 year, shall not exceed a total of 3 years."

(2) The amendment made by paragraph (1) shall be effective with respect to articles imported before or after this section is enacted.

(b) Section 308 (3) of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1308 (3)) is amended by inserting immediately after the word "Samples" the following: "(but not including photoengraved printing plates imported to be reproduced."

(c) Section 308 (4) of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1308 (4)) is amended to read as follows:

"(4) Articles intended solely for testing, experimental, or review purposes, including plans, specifications, drawings, blueprints, photographs, and similar articles for use in connection with experiments or for study, and upon satisfactory proof that any such article has been destroyed because of its use for any such purpose, the obligation under such bond to export such articles shall be treated as satisfied;"

(d) Section 308 (5) of the Tariff Act of 1930, as amended (U. S. C., 1946 ed., title 19, sec. 1308 (5)), is further amended to read as follows:

"(5) Automobiles, motorcycles, bicycles, airplanes, airships, balloons, boats, racing shells, and similar vehicles and craft, and the usual equipment of the foregoing; all the foregoing which are brought temporarily into the United States by nonresidents for the purpose of taking part in races or other specific contests;"

(e) Section 308 (7) of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1308 (7)), is amended to read as follows:

"(7) Containers for compressed gases, filled or empty, and containers or other articles in use for covering or holding merchandise (including personal or household effects) during transportation and suitable for reuse for that purpose;"

(f) Section 308 of the Tariff Act of 1930, as amended (U. S. C., 1946 ed., title 19, sec. 1308), is further amended by changing the period at the end thereof to a semicolon and adding the following new subdivisions:

"(10) Animals and poultry brought into the United States for the purpose of breeding, exhibition, or competition for prizes, and the usual equipment therefor;

"(11) Theatrical scenery, properties, and apparel brought into the United States by proprietors or managers of theatrical exhibitions arriving from abroad for temporary use by them in such exhibitions; and

"(12) Works of art, drawings, engravings, photographic pictures, and philosophical and scientific apparatus brought into the United States by professional artists, lecturers, or scientists arriving from abroad for use by them for exhibition and in illustration, promotion, and encouragement of art, science, or industry in the United States."

(g) Paragraph 1607 of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1201, par. 1607), is amended to read as follows:

"PAR. 1607. (a) Teams of animals, including their harness and tackle, and the wagons or other vehicles actually owned by persons emigrating from foreign countries to the United States with their families, and in actual use for the purpose of such emigration, under such regulations as the Secretary of the Treasury may prescribe.

"(b) Wild animals and birds intended for exhibition in zoological collections for scientific or educational purposes, and not for sale or profit."

(h) Paragraph 1747 of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1201, par. 1747), is amended by changing the second semicolon to a period and deleting the remainder of the paragraph.

(i) Paragraph 1808 of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1201, par. 1808) is repealed.

#### SUPPLIES AND EQUIPMENT FOR VESSELS AND AIRCRAFT

SEC. 11. (a) Subsections (a) and (b) of section 309 of the Tariff Act of 1930, as amended (U. S. C., 1946 ed., title 19, sec. 1309 (a) and (b)), relating to articles for certain vessels and aircraft, are further amended to read as follows:

"(a) Exemption From Duties and Taxes: Articles of foreign or domestic origin may be withdrawn, under such regulations as the Secretary of the Treasury may prescribe, from any customs bonded warehouse, from continuous customs custody elsewhere than in a bonded warehouse, or from a foreign-trade zone free of duty and internal-revenue tax, or from any internal-revenue bonded warehouse, from any brewery, or from any winery premises or bonded premises for the storage of wine, free of internal-revenue tax—

"(1) for supplies (not including equipment) of (A) vessels or aircraft operated by the United States, (B) vessels of the United States employed in the fisheries or in the whaling business, or actually engaged in foreign trade or trade between the Atlantic and Pacific ports of the United States or between the United States and any of its possessions, or (C) aircraft registered in the United States and actually engaged in foreign trade or trade between the United States and any of its possessions; or

"(2) for supplies (including equipment) or repair of (A) vessels of war of any foreign nation, or (B) foreign vessels employed in the fisheries or in the whaling business, or actually engaged in foreign trade or trade between the United States and any of its possessions, where such trade by foreign vessels is permitted; or

"(3) for supplies (including equipment), ground equipment, maintenance, or repair of aircraft registered in any foreign country and actually engaged in foreign trade or trade between the United States and any of its possessions, where trade by foreign aircraft is permitted. With respect to articles for ground equipment, the exemption hereunder shall apply only to duties and to taxes imposed upon or by reason of importation.

"(b) Drawback: Articles withdrawn from bonded warehouses, bonded manufacturing warehouses, continuous customs custody



elsewhere than in a bonded warehouse, or from a foreign-trade zone, and articles of domestic manufacture or production, laden as supplies upon any such vessel or aircraft of the United States or laden as supplies (including equipment) upon, or used in the maintenance or repair of, any such foreign vessel or aircraft, shall be considered to be exported within the meaning of the drawback provisions of this act."

(b) Section 317 (b) of the Tariff Act of 1930, as amended (U. S. C., 1946 ed., title 19, sec. 1317 (b)), is amended to read as follows:

"(b) The shipment or delivery of any merchandise for use as supplies (including equipment) upon, or in the maintenance or repair of any vessel or aircraft described in subdivision (2) or (3) of section 309 (a) of this act, or for use as ground equipment for any such aircraft, shall be deemed an exportation within the meaning of the customs and internal-revenue laws applicable to the exportation of such merchandise without the payment of duty or internal-revenue tax. With respect to merchandise for use as ground equipment, such shipment or delivery shall not be deemed an exportation within the meaning of the internal-revenue laws relating to taxes other than those imposed upon or by reason of importation."

(c) Section 3115 of the Revised Statutes, as amended (U. S. C., 1946 ed., title 19, sec. 258), is further amended by—

(1) striking out the comma at the end of paragraph (2) and inserting in lieu thereof "; or" and inserting after paragraph (2) the following new paragraph:

"(3) that such equipments, or parts thereof, or materials, or labor, were used as dunnage for cargo, or for the packing or shoring thereof, or in the erection of bulkheads or other similar devices for the control of bulk cargo, or in the preparation of tanks for the carriage of liquid cargo;" and

(2) striking out "such equipments" the last place it appears in such section and inserting in lieu thereof "such equipments or parts thereof or materials."

#### DRAWBACK

SEC. 12. (a) Section 313 (b) of the Tariff Act of 1930, as amended (U. S. C., 1946 ed., title 19, sec. 1313 (b)), is further amended by deleting "one year" and substituting therefor "three years."

(b) Section 313 (c) of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1313 (c)), is amended by inserting "or shipped without the consent of the consignee" after "sample or specifications"; by deleting "thirty days" and substituting therefor "ninety days"; and by inserting "unless the Secretary authorizes in writing a longer time", following "after release from customs custody."

(c) Section 313 of the Tariff Act of 1930, as amended (U. S. C., 1946 ed., title 19, sec. 1313), is further amended by revising subsections (h) and (i) thereof to read as follows:

"(h) Time limitation on exportation: No drawback shall be allowed under the provisions of this section unless the completed article is exported within 5 years after importation of the imported merchandise.

"(i) Regulations: Allowance of the privileges provided for in this section shall be subject to compliance with such rules and regulations as the Secretary of the Treasury shall prescribe, which may include, but need not be limited to, the fixing of a time limit within which drawback entries or entries for refund under any of the provisions of this section or section 309 (b) of this act shall be filed and completed, and the designation of the person to whom any refund or payment of drawback shall be made."

#### ADMINISTRATIVE EXEMPTION

SEC. 13. Section 321 of the Tariff Act of 1930, as amended (U. S. C., 1946 ed., title 19, sec. 1321), is amended to read as follows:

"SEC. 321. Administrative exemptions.

"(a) The Secretary of the Treasury, in order to avoid expense and inconvenience to the Government disproportionate to the amount of revenue that would otherwise be collected, is hereby authorized, under such regulations as he shall prescribe, to—

"(1) disregard a difference of less than \$3 between the total estimated duties or taxes deposited, or the total duties or taxes tentatively assessed, with respect to any entry of merchandise and the total amount of duties or taxes actually accruing thereon; and

"(2) admit articles free of duty and of any tax imposed on or by reason of importation, but the aggregate value of articles imported by one person on one day and exempted from the payment of duty shall not exceed—

"(A) \$10 in the case of articles sent as bona fide gifts from persons in foreign countries to persons in the United States, or

"(B) \$10 in the case of articles accompanying, and for the personal or household use of, persons arriving in the United States who are not entitled to any exemption from duty or tax under paragraph 1798 (c) (2) of this act, or

"(C) \$1 in any other case.

"The privilege of this subdivision (2) shall not be granted in any case in which merchandise covered by a single order or contract is forwarded in separate lots to secure the benefit of this subdivision (2).

"(b) The Secretary of the Treasury is authorized by regulations to diminish any dollar amount specified in subsection (a) and to prescribe exceptions to any exemption provided for in such subsection whenever he finds that such action is consistent with the purpose of such subsection or is necessary for any reason to protect the revenue or to prevent unlawful importations."

#### INTERNATIONAL TRAFFIC AND RESCUE WORK

SEC. 14. The Tariff Act of 1930, as amended, is further amended by adding immediately following section 321 (U. S. C., 1946 ed., title 19, sec. 1321) a new section reading as follows:

"SEC. 322. International traffic and rescue work.

"(a) Vehicles and other instruments of international traffic, of any class specified by the Secretary of the Treasury, shall be granted the customary exceptions from the application of the customs laws to such extent and subject to such terms and conditions as may be prescribed in regulations or instructions of the Secretary of the Treasury.

"(b) The Secretary of the Treasury may provide by regulation or instruction for the admission, without entry and without the payment of any duty or tax imposed upon or by reason of importation, of—

"(1) aircraft, equipment, supplies, and spare parts for use in searches, rescues, investigations, repairs, and salvage in connection with accidental damage to aircraft;

"(2) fire-fighting and rescue and relief equipment and supplies for emergent temporary use in connection with conflagrations; and

"(3) rescue and relief equipment and supplies for emergent temporary use in connection with floods and other disasters.

any articles admitted under the authority of this subsection and used otherwise than for a purpose herein expressed, or not exported in such time and manner as may be prescribed in the regulations or instructions herein authorized, shall be forfeited to the United States."

#### VALUE

SEC. 15. (a) Section 402 of the Tariff Act of 1930, as amended (U. S. C., 1946 ed., title 19, sec. 1402), is further amended to read as follows:

"SEC. 402. Value.

"(a) Basis.—Except as otherwise specifically provided for, the value of imported merchandise for the purposes of this act shall be—

"(1) the export value;

"(2) if the export value cannot be determined satisfactorily, then the United States value;

"(3) if neither the export value nor the United States value can be determined satisfactorily, then the comparative value; or

"(4) if neither the export value, the United States value, nor the comparative value can be determined satisfactorily, then the constructed value; but

"(5) in the case of an article with respect to which there is in effect under section 336 a rate of duty based upon the American selling price of a domestic article, the value shall be the American selling price of such domestic article.

"(b) Export value: The export value of imported merchandise shall be the market value or the price, at the time of exportation to the United States of the merchandise undergoing appraisement, at which such or similar merchandise is freely sold, or in the absence of sales, offered for sale in the principal markets of the country of exportation, in the usual wholesale quantities and in the ordinary course of trade, for exportation to the United States, plus, when not included in such price, the cost of all containers and coverings of whatever nature and all other expenses incidental to placing the merchandise in condition, packed ready for shipment to the United States.

"(c) United States value: The United States value of imported merchandise shall be the price, at the time of exportation to the United States of the merchandise undergoing appraisement, at which such or similar imported merchandise is freely sold or, in the absence of sales, offered for sale in the principal market of the United States for domestic consumption, packed ready for delivery, in the usual wholesale quantities and in the ordinary course of trade, with allowances made for—

"(1) any commission usually paid or agreed to be paid on merchandise secured otherwise than by purchase or agreement to purchase; or, on merchandise secured by purchase or agreement to purchase, the addition for profit and general expenses usually made by sellers in such market on imported merchandise of the same class or kind as the merchandise undergoing appraisement;

"(2) the usual costs of transportation and insurance and other usual expenses from the place of shipment to the place of delivery, not including any expense provided for in subdivision (1); and

"(3) the ordinary customs duties and other Federal taxes currently payable on such or similar merchandise by reason of its importation or Federal excise taxes on, or measured by the value of, such or similar merchandise, for which vendors at wholesale in the United States are ordinarily liable.

"If such or similar merchandise was not so sold or offered at the time of exportation of the merchandise undergoing appraisement, the United States value shall be determined, subject to the foregoing specifications of this subsection, from the price at which such or similar merchandise is so sold or offered at the earliest date after such time of exportation but before the expiration of 90 days after the importation of the merchandise undergoing appraisement.

"(d) Comparative value: The comparative value of imported merchandise shall be the equivalent of the export value as nearly as such equivalent may be determined by the appraiser on the basis of the export or United States value of other merchandise exported from the same country at the time the merchandise undergoing appraisement was ex-



ported which is comparable in construction and use with the merchandise undergoing appraisement, with appropriate adjustments for differences in size, material, construction, texture, or other differences.

"(e) Constructed value: The constructed value of imported merchandise shall be the sum of—

"(1) the cost of materials and of fabrication or other processing of any kind employed in producing such or similar merchandise, at a time preceding the date of exportation of the merchandise undergoing appraisement which would ordinarily permit the production of that particular merchandise in the ordinary course of business;

"(2) an addition for general expenses and profit equal to that which producers in the country of production whose products are exported to the United States usually add in sales for exportation to the United States, in the usual wholesale quantities and in the ordinary course of trade, of merchandise of the same general class or kind as the merchandise undergoing appraisement; and

"(3) the cost of all containers and coverings of whatever nature, and all other expenses incidental to placing the merchandise undergoing appraisement in condition, packed ready for shipment to the United States.

"(f) American selling price: The American selling price of any article manufactured or produced in the United States shall be the price, including the cost of all containers and coverings of whatever nature and all other expenses incident to placing the merchandise in condition packed ready for delivery, at which such article is freely sold or, in the absence of sales, offered for sale for domestic consumption in the principal market of the United States, in the ordinary course of trade and in the usual wholesale quantities, or the price that the manufacturer, producer, or owner would have received or was willing to receive for such merchandise when sold for domestic consumption in the ordinary course of trade and in the usual wholesale quantities, at the time of exportation of the imported article.

"(g) Taxes: The value of imported merchandise determined in accordance with this section shall not include the amount of any internal tax, applicable within the country of origin or exportation, from which the merchandise undergoing appraisement has been exempted or has been or will be relieved by means of refund.

"(h) Definitions: As used in this section, the following terms shall have the meanings respectively indicated:

"(1) 'Freely sold or, in the absence of sales, offered for sale'—sold or, in the absence of sales, offered to all purchasers at wholesale, or to one or more selected purchasers at wholesale at a price not less than that at which it would be sold to all purchasers at wholesale, without restrictions as to the disposition or use of the merchandise by the purchaser, except restrictions as to such disposition or use which (A) are imposed or required by law, or (B) limit the price at which or the territory in which the merchandise may be resold, or (C) do not substantially affect the value of the merchandise to usual purchasers at wholesale.

"(2) 'Ordinary course of trade'—the conditions and practices which, for a reasonable time prior to the exportation of the merchandise undergoing appraisement, have been normal in the trade under consideration with respect to merchandise of the same class or kind as the merchandise undergoing appraisement.

"(3) 'Purchasers at wholesale'—purchasers who buy in the usual wholesale quantities for industrial use or for resale otherwise than at retail; or, if there are no such purchasers, then all other purchasers for resale who buy in the usual wholesale quantities; or, if there are no purchasers in either of the fore-

going categories, then all other purchasers who buy in the usual wholesale quantities.

"(4) 'Such or similar merchandise'—the merchandise undergoing appraisement shall be considered 'such' merchandise; and other merchandise shall be considered 'such' merchandise if—

"(A) it is identical in physical characteristics and was produced in the same country by the same person; or

"(B) when no value meeting the requirements of the definition of value under consideration can be determined under (A), the merchandise is identical in physical characteristics and was produced by another person in the same country.

Merchandise shall be considered 'similar' to the merchandise undergoing appraisement if it is not within the foregoing definition of 'such' merchandise but—

"(C) it was produced in the same country as the merchandise undergoing appraisement, by the same person, of like materials, is used for the same purpose, and is of approximately equal commercial value; or

"(D) when no value meeting the requirements of the definition of value under consideration can be determined under (C), the merchandise is correspondingly similar and was produced by another person in the same country.

"(5) 'Usual wholesale quantities'—the quantities usually sold in the class of transactions in which the greater aggregate quantity of the 'such or similar merchandise', in respect of which value is being determined, is sold in the market under consideration."

(b) Paragraph 27 (c) of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1001, par. 27 (c)), is amended by changing "subdivision (g)" to "subdivision (f)" and by changing "subdivision (e)" to "subdivision (c)."

(c) Paragraph 28 (c) of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1001, par. 28 (c)), is amended by changing "subdivision (g)" to "subdivision (f)", and by changing "subdivision (e)" to "subdivision (c)."

(d) Section 336 (b) of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1336 (b)), is amended by changing "section 402 (g)" to "section 402 (f)."

#### SIGNING AND DELIVERY OF MANIFESTS

SEC. 16. Section 431 of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1431), is amended by designating the matter now therein as subsection (a) and by adding a new subsection to read as follows:

"(b) Whenever a manifest of articles or persons on board an aircraft is required for customs purposes to be signed, or produced or delivered to a customs officer, the manifest may be signed, produced, or delivered by the pilot or person in charge of the aircraft, or by any other authorized agent of the owner or operator of the aircraft, subject to such regulations as the Secretary of the Treasury may prescribe. If any irregularity of omission or commission occurs in any way in respect of any such manifest, the owner or operator of the aircraft shall be liable for any fine or penalty prescribed by law in respect of such irregularity."

#### CERTIFIED INVOICES AND ENTRY OF MERCHANDISE

SEC. 17. (a) Section 482 (a) of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1482 (a)), is amended by substituting "required pursuant to section 484 (b) of this act to be certified" for "covering merchandise exceeding \$100 in value" in the first clause.

(b) Section 484 (a) of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1484 (a)), is amended by deleting "48 hours" and substituting therefor "5 days."

(c) Section 484 (b) of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1484 (b)), is amended to read as follows:

"(b) Production of certified invoice: The Secretary of the Treasury shall provide by

regulation for the production of a certified invoice with respect to such merchandise as he deems advisable and for the terms and conditions under which such merchandise may be permitted entry under the provisions of this section without the production of a certified invoice."

(d) Section 498 (a) (1) of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1948 (a) (1)) is amended to read as follows:

"(1) Merchandise, imported in the mails or otherwise, when the aggregate value of the shipment does not exceed such amount, not greater than \$250, as the Secretary of the Treasury shall specify in the regulations, and the specified amount may vary for different classes or kinds of merchandise or different classes of transactions;"

(e) Section 498 (a) of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1498 (a)) is further amended by deleting subdivision (11) and substituting therefor a new subdivision to read as follows:

"(11) Merchandise within the provisions of paragraph 1031 of this act."

(f) The Act of June 8, 1896 (U. S. C., 1946 ed., title 19, secs. 472-475), is hereby repealed.

#### VERIFICATION OF DOCUMENTS

SEC. 18. Section 486 of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1486), is amended by changing the heading to read "SEC. 486. Administration of oaths—verification of documents."

and by adding at the end thereof the following new subsection:

"(d) Verification in lieu of oath: The Secretary of the Treasury may by regulation prescribe that any document required by any law administered by the Customs Service to be under oath may be verified by a written declaration in such form as he shall prescribe, such declaration to be in lieu of the oath otherwise required."

#### AMENDMENT OF ENTRIES

SEC. 19. (a) Section 487 of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1487) is amended by deleting therefrom "or at any time before the invoice or the merchandise has come under the observation of the appraiser for the purpose of appraisement."

(b) Section 489 of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1489) is amended by deleting the first two paragraphs.

(c) Section 501 of the Tariff Act of 1930, as amended (U. S. C., 1946 ed., title 19, sec. 1501), is further amended by changing the period at the end of the first sentence to a comma and by inserting thereafter "or (3) in any case, if the consignee, his agent, or his attorney requests such notice in writing before appraisement, setting forth a substantial reason for requesting the notice," by inserting in the second sentence after "appraiser" the clause ", including all determinations entering into the same," and by deleting the third sentence of the section.

(d) Section 503 of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1503), is amended by deleting subsection (b), by redesignating subsection (c) as subsection (b), and by amending subsection (a) to read as follows:

"(a) General rule: Except as provided in section 562 of this act (relating to withdrawal from manipulating warehouses), the basis for the assessment of duties on imported merchandise subject to ad valorem rates of duty shall be the final appraised value."

(e) The act of July 12, 1932 (ch. 473, 47 Stat. 657; U. S. C., 1946 ed., title 19, sec. 1503a), is repealed.

(f) Section 562 of the Tariff Act of 1930, as amended (U. S. C., 1946 ed., title 19, sec. 1562), is further amended by changing the third sentence to read as follows: "The basis for the assessment of duties on such merchandise so withdrawn for consumption shall be the adjusted final appraised value, and if



the rate of duty is based upon or regulated in any manner by the value of the merchandise, such rate shall be based upon or regulated by such adjusted final appraised value."

#### COMMINGLED MERCHANDISE

SEC. 20. Section 508 of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1508) is amended to read as follows:

"SEC. 508. Commingling of goods.

"(a) Whenever dutiable merchandise and merchandise which is free of duty or merchandise subject to different rates of duty are so packed together or mingled that the quantity or value of each class of such merchandise cannot be readily ascertained by the customs officers (without physical segregation of the shipment or the contents of any entire package thereof), by one or more of the following means: (1) Examination of a representative sample, (2) occasional verification of packing lists or other documents filed at the time of entry, or (3) evidence showing performance of commercial settlement tests generally accepted in the trade and filed in such time and manner as may be prescribed by regulations of the Secretary of the Treasury, and if the consignee or his agent shall not segregate the merchandise pursuant to subsection (b), then the whole of such merchandise shall be subject to the highest rate of duty applicable to any part thereof.

"(b) Every segregation of merchandise made pursuant to this section shall be accomplished by the consignee or his agent at the risk and expense of the consignee within 30 days after the date of personal delivery or mailing, by such employee as the Secretary of the Treasury shall designate, of written notice to the consignee that the merchandise is commingled, unless the Secretary authorizes in writing a longer time. Every such segregation shall be accomplished under customs supervision, and the compensation and expenses of the supervising customs officers shall be reimbursed to the Government by the consignee under such regulations as the Secretary of the Treasury may prescribe.

"(c) The foregoing provisions of this section shall not apply with respect to any part of a shipment if the consignee or his agent shall furnish, in such time and manner as may be prescribed by regulations of the Secretary of the Treasury, satisfactory proof (1) that such part (A) is commercially negligible, (B) is not capable of segregation without excessive cost, and (C) will not be segregated prior to its use in a manufacturing process or otherwise, and (2) that the commingling was not intended to avoid the payment of lawful duties or any part thereof. Any merchandise with respect to which such proof is furnished shall be considered for all customs purposes as a part of the merchandise, subject to the next lower rate of duty (including a free rate), with which it is commingled.

"(d) The foregoing provisions of this section shall not apply with respect to any shipment if the consignee or his agent shall furnish, in such time and manner as may be prescribed by regulations of the Secretary of the Treasury, satisfactory proof (1) that the value of the commingled merchandise is less than the aggregate value would be if the shipment were segregated; (2) that the shipment is not capable of segregation without excessive cost and will not be segregated prior to its use in a manufacturing process or otherwise; and (3) that the commingling was not intended to avoid the payment of lawful duties or any part thereof. Any merchandise with respect to which such proof is furnished shall be considered for all customs purposes to be dutiable at the rate (including a free rate) applicable to the material present in greater quantity than any other material."

#### CORRECTION OF ERRORS AND MISTAKES

SEC. 21. Subdivisions (1) and (2) of section 520 (c) of the Tariff Act of 1930, as amended (U. S. C., 1946 ed., title 19, sec. 1520 (c)), are further amended to read as follows:

"(1) a clerical error, mistake of fact, or other inadvertence not amounting to an error in the construction of a law, adverse to the importer and manifest from the record or established by documentary evidence, in any entry, liquidation, appraisement, or other customs transaction, when the error, mistake, or inadvertence is brought to the attention of the customs service within 1 year after the date of entry, appraisement, or transaction, or within 60 days after liquidation or exaction when the liquidation or exaction is made more than 10 months after the date of the entry, appraisement, or transaction; or

"(2) any assessment of duty on household or personal effects in respect of which an application for refund has been filed, with such employee as the Secretary of the Treasury shall designate, within 1 year after the date of entry."

#### CONVERSION OF CURRENCY

SEC. 22 (a) Section 25 of the act of August 27, 1894, as amended and reenacted (U. S. C., 1946 ed., title 31, sec. 372 (a)), is repealed, and section 522 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 31, sec. 372) is amended to read as follows:

"SEC. 522. Conversion of Currency

"(a) The Secretary of the Treasury shall keep current a published list, expressed in United States dollars, of the par values which he finds are maintained by foreign countries for their respective currencies. For the purposes of all provisions of the customs laws, whenever it is necessary to convert into an amount expressed in currency of the United States any amount expressed in a foreign currency for which such a par value was maintained for the date as of which the value or cost requiring conversion is to be determined, such conversion, except as specified in subsection (d), shall be made at such par value.

"(b) If no such par value was so maintained for such date, the conversion shall be made at the buying rate for the foreign currency in the New York market at noon on the date as of which the value or cost requiring conversion is to be determined, or, if banks are generally closed on such date in New York City, then the buying rate at noon on the last preceding business day. For the purposes of this subsection, such buying rate shall be the buying rate for cable transfers payable in the foreign currency in which the amount to be converted is expressed, and shall be determined by the Federal Reserve Bank of New York and certified to the Secretary of the Treasury, who shall make it public at such times and to such extent as he shall deem necessary. In ascertaining such buying rate, such Federal Reserve bank may in its discretion (1) take into consideration the last ascertainable transactions and quotations, whether direct or through exchange of other currencies, and (2) if there is no market buying rate for such cable transfers, calculate such rate from actual transactions and quotations in demand or time bills of exchange or from the last ascertainable transactions and quotations outside the United States in or for exchange payable in United States currency or other currency.

"(c) If, pursuant to subsection (b), the Federal Reserve Bank of New York certifies more than one rate of exchange for a particular foreign currency for any date the conversion for customs purposes of amounts expressed in that currency for that date shall be made by applying the applicable rate or

rates so certified which reflect effectively the value of that foreign currency in commercial transactions.

"(d) When there are one or more rates of exchange which vary by more than 5 percent from the par value for any foreign currency listed pursuant to subsection (a), the list shall so indicate. In that event such additional rates of exchange may be certified in the manner set forth in subsection (b) and the par value and any certified rates shall be applied in the manner prescribed in subsection (c)."

(b) Section 481 (a) of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1481 (a)) is amended by deleting subparagraph (7) and by renumbering subparagraphs (8), (9), and (10) as (7), (8), and (9).

(c) Section 481 (b) of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1481 (b)) is amended by deleting "stating whether gold, silver, or paper."

#### TRANSFERS OF GOODS IN BONDED WAREHOUSES

SEC. 23. (a) Section 557 (b) of the Tariff Act of 1930, as amended (U. S. C., 1946 ed., title 19, sec. 1557 (b)), is further amended to read as follows:

"(b) The right to withdraw any merchandise entered in accordance with subsection (a) of this section for the purposes specified in such subsection may be transferred upon compliance with regulations prescribed by the Secretary of the Treasury and upon the filing by the transferee of a bond in such amount and containing such conditions as the Secretary of the Treasury shall prescribe. The bond shall include an obligation to pay, with respect to the merchandise the subject of the transfer, all unpaid regular, increased, and additional duties, all unpaid taxes imposed upon or by reason of importation, and all unpaid charges and exactions. Such transfers shall be irrevocable, shall relieve the transferor from all customs liability with respect to obligations assumed by the transferee under the bond herein provided for, and shall confer upon the transferee all rights to the privileges provided for in this section and in sections 562 and 563 of this act which were vested in the transferor prior to the transfer. The transferee shall also have the right to receive all lawful refunds of moneys paid by him to the United States with respect to the merchandise the subject of the transfer, but shall have no right to file any protest under section 514 of this act except as to decisions with respect to his rights under subsection (c) of this section or under section 562 or 563 of this act or against a decision as to the rate or amount of duty, tax, charge, or exaction when such rate or amount has been changed by statute or proclamation on or after the date of the transfer. The transferee shall have no right to file an appeal for reappraisal under section 501 of this act, except when subsequent to the transfer and before a withdrawal for consumption has been deposited for the merchandise, it has been changed in condition pursuant to the provisions of section 562 or 311 of this act in a manner which necessitates that it be appraised in its changed condition in order that the correct amount of duties may be assessed. No new or separate liquidation, reliquidation, or determination shall be made in the name of, or on behalf of, a transferee, except with regard to any matter which may arise under subsection (c) of this section or section 562 or 563 of this act when the transferee has invoked either of these sections, and in the case of a statutory or proclaimed change in the rate of duty, tax, charge, or exaction applicable to the merchandise the subject of the transfer and effective on or after the date of the transfer. A transferee may further transfer the right to withdraw merchandise, subject to the provisions of this subsection relating to original transfers."



(b) Notwithstanding any other provision of this act, the foregoing subsection (a) shall be effective with respect to merchandise entered after the date of the enactment of this act and to merchandise which has been entered before that date and is the subject of a transfer within the purview of section 557 (b) of the Tariff Act, as amended by this act, and made after the date of the enactment of this act.

#### CUSTOMS SUPERVISION

SEC. 24. The Tariff Act of 1930, as amended, is further amended by adding following section 645 (U. S. C., 1946 ed., title 19, sec. 1645) a new section 646, reading as follows:

"SEC. 646. Customs supervision.

"Wherever in this act any action or thing is required to be done or maintained under the supervision of customs officers, such supervision may be direct and continuous or by occasional verification as may be required by regulations of the Secretary of the Treasury, or, in the absence of such regulations for a particular case, as the principal customs officer concerned shall direct."

#### SAVING CLAUSE

SEC. 25. Except as may be otherwise provided for in this act, the repeal of existing law or modifications thereof embraced in this act shall not affect any act done, or any right accruing or accrued, or any suit or proceeding had or commenced in any civil or criminal case prior to such repeal or modification, but all liabilities under such laws shall continue, except as otherwise specifically provided in this act, and may be enforced in the same manner as if such repeal or modification had not been made.

The CHAIRMAN. Are there any committee amendments?

Mr. REED of New York. Mr. Chairman, at the instruction of the Committee on Ways and Means, I offer an amendment.

The Clerk read as follows:

Committee amendment offered by Mr. REED of New York:

Page 9, line 13, insert after "Sec. 7", the following: "(a)".

And on page 10, after line 13, insert the following:

"(b) (1) Paragraph 1615 (g) of the Tariff Act of 1930, as amended (U. S. C., 1946 ed., title 19, sec. 1201, par. 1615 (g)), is further amended to read as follows:

"(g) (1) Any article exported from the United States for repairs or alterations may be returned upon the payment of a duty upon the value of the repairs or alterations at the rate or rates which would apply to the article itself in its repaired or altered condition if not within the purview of this subparagraph (g).

"(2) If—

"(A) any article of metal (except precious metal) manufactured in the United States or subjected to a process of manufacture in the United States is exported for further processing, and

"(B) the exported article as processed outside the United States, or the article which results from the processing outside the United States, as the case may be, is returned to the United States for further processing, then such article may be returned upon the payment of a duty upon the value of such processing outside the United States at the rate or rates which would apply to such article itself if it were not within the purview of this subparagraph (g).

"(3) This subparagraph (g) shall not apply to any article exported—

"(A) from bonded warehouse or from continuous customs custody elsewhere than bonded warehouse with remission, abatement, or refund of duty.

"(B) with benefit of drawback through substitution or otherwise, or

"(C) for the purpose of complying with any law of the United States or regulation of any Federal agency requiring exportation.

"(4) For the purposes of this subparagraph (g), the value of repairs, alterations, or processing outside the United States shall be considered to be—

"(A) the cost to the importer of such repairs, alterations, or processing, or

"(B) if no charge is made, the value of such repairs, alterations, or processing, as set out in the invoice and entry papers; except that, if the Secretary of the Treasury concludes that the amount so set out does not represent a reasonable cost or fair value, as the case may be, then the value of the repairs, alterations, or processing shall be determined in accordance with section 402 of this act. No appraisal of the imported article in its repaired, altered, or processed condition shall be required unless necessary to a determination of the rate or rates of duty applicable to such article."

"(2) The amendment made by paragraph (1) of this subsection shall be effective as to articles entered, or withdrawn from warehouse, for consumption on or after the day following the date of the enactment of this act and shall apply also to any such articles entered or withdrawn before that day with respect to which no assessment of duty has become final by reason of section 514 of the Tariff Act of 1930."

The CHAIRMAN. The gentleman from New York [Mr. REED] is recognized.

Mr. REED of New York. Mr. Chairman, I yield to the gentleman from Michigan [Mr. KNOX].

Mr. KNOX. Mr. Chairman, once again I would like to make a few remarks relevant to the amendment which has been offered to the customs simplification bill. There is a precedent for the relief provided in this legislation since paragraph 1410 of the Tariff Act of 1930 provides similar relief to the publishing industry in the following language: "That exported books of domestic manufacturers when returned to the United States after having been advanced in value or improved in condition by any process of manufacture or other means shall be dutiable only on the cost of materials added and the labor performed in the foreign country."

This amendment which I have offered does the very same thing that the Act now provides for books. It does it for metal products. It is something which I believe will expedite the manufacturing centers of Michigan especially where we are close to the Canadian border and where we possibly will avoid shutdowns in factories as we have in the past, so that instead of having to send all of the employees home, they will just export this particular product over into the Canadian factory where they have the facilities in order to go ahead with the processing and the factory will continue to operate.

Mr. RILEY. Mr. Chairman, will the gentleman yield?

Mr. KNOX. I yield.

Mr. RILEY. Does not the gentleman think that a study of this situation and informing the House as to all the details and the far-reaching effects of this would be a better way to legislate rather than to bring it in with the misunder-

standing which exists at the present time, and the doubt that goes with it?

Mr. KNOX. If there is any misunderstanding, I believe the new language of the amendment is very clear. If there is any article of metal, except precious metal, manufactured in the United States and exported for processing and returned to the United States for further processing, it comes within this amendment. That is the only thing it refers to, metal products. It does not extend to precious metals such as possibly watches, jewelry, and so on.

Mr. RILEY. Does the gentleman think this would be setting a precedent which probably might lead to the processing of other manufactured articles in other countries?

Mr. KNOX. I would say not. This morning we had a telephone call from the Canadian consul, and they said if the Congress should pass this amendment, they would immediately initiate such legislation in Canada so that their laws would conform with the American principle as enunciated in this particular amendment.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. KNOX. I yield.

Mr. AUGUST H. ANDRESEN. Would the gentleman's amendment include the assembling of automobiles for which the parts were made in the United States and sent to Canada?

Mr. KNOX. No, that would not be processing of such parts.

Mr. AUGUST H. ANDRESEN. That would not be possible under your amendment?

Mr. KNOX. No, that would not be processing, and it would not be possible.

Mr. Chairman, in the general debate, I pointed out the fact that it was necessary at one time for a manufacturer in the city of Detroit to ship an article to Canada to the Algoma Steel Mills because that was the only place where any facilities were available to do this processing which was needed on this particular product. That was the cause of a breakdown in the factory in the Detroit area.

Mr. Chairman, I do not believe I have anything further to offer on this amendment. I have tried to make it clear and I believe it is something which is in the best interests of our working men as well as the industries, and will result somewhat in helping to reduce the cost of these particular articles to the ultimate consumer. Nevertheless, if the industry is going to have to pay duty on every product that is sent to a foreign country for processing, it means that they will have to pass that cost on to the ultimate consumer. So far as the laboring man is concerned, he certainly is protected, because the industry will continue to function while this processing is being done in a foreign country.

I believe there is no possibility that these particular products would ever be shipped to such countries as Belgium, Spain, Portugal, and so forth, because of the high transportation cost. In case of an emergency or a breakdown, we can still continue to operate and expedite



the manufacture of any specific article without adverse effect as far as meeting the requirements of a contract is concerned, whether it be in the automobile industry or in some other defense industry.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from New York [Mr. REED].

The amendment was agreed to.

Mr. REED of New York. Mr. Chairman, by direction of the Committee on Ways and Means, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. REED of New York:

Page 15, after line 12, insert the following:

"COUNTERVAILING DUTIES

"SEC. 10. Section 303 of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1303) is amended by adding immediately after the first sentence the following new sentence: 'Such countervailing duty shall be imposed only if the Secretary of the Treasury shall determine, after such investigation as he deems necessary, that an industry in the United States is being or is likely to be injured, or is prevented or retarded from being established, by reason of the importation into the United States of articles or merchandise of the class or kind in respect of which the bounty or grant is paid or bestowed.'"

And amend the table of contents and renumber the remaining sections of the bill accordingly.

Mr. REED of New York. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Mr. Chairman, the amendment offered by the gentleman from New York [Mr. REED] by direction of the Committee on Ways and Means, was approved by that committee. It is true, there was not a recorded vote, but it was approved by the committee.

The subject was considered in October, 1951, and reported in a bill which passed the House. I know of no objection being voiced at that time to the amendment whatsoever. I know of no objection being voiced to it when we had those hearings 1½ years ago.

We had hearings on this bill and on this amendment. It was thoroughly studied by the committee on two different occasions. At the time of the last occasion it was approved by the committee.

Mr. Chairman, this amendment was drawn this year by the Office of the Secretary of the Treasury and it was recommended for inclusion in this bill. The only reason it did not become law 2 years ago, in October, 1951, is because the other body did not have time to take up the measure.

Mr. Chairman, this is a matter which goes to the policy of the United States. Are we going to announce the policy of putting up and maintaining barriers to trade? That is the simple question that is involved.

Within the past couple of days I know that the Members have been flooded with telegrams from the National Association of Wool Manufacturers. If we are going to legislate according to the number of telegrams or letters we receive, then we are going against a policy

of the United States which has been carried on for the past 20 years, a policy which is being followed or to which at least lip service has been given by the present administration, a policy of "More trade, not aid." That was quite an issue in the campaign: More trade, not aid. If you are not going to follow that, if you are going to switch your policy, then defeat this amendment. Whatever is done by this committee, in my opinion, will go down in the RECORD as indicating its policy. If this amendment is defeated I would say that this Congress will be on record as being opposed to the policy of more trade, not aid, as favoring higher and thicker walls against an expanded export trade on the part of the United States. As I said previously, it is one way to lose friends and make enemies. It is a matter of policy.

As I already said in general debate, the wool manufacturers have pulled the rug out from under the wool-growing States and are going to support a free greasy wool policy—that is their recommendation, board of directors' official recommendation. Shall we legislate because of telegrams and pressure in behalf of one industry; and not think of the harm or benefit that may accrue to agriculture, or general industry in the United States, which makes profits by reason of excess production over the necessities of this country. If you intend to develop and embrace that policy then defeat this amendment. Whatever is the judgment of this Committee I hope the magnitude of this question will be considered by the members of this committee who are here today.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield.

Mr. MILLER of Nebraska. Does the gentleman consider the provision of the present law giving the Secretary of the Treasury authority to impose duties equal to the subsidies granted by other governments, sufficient protection to the people of the United States?

Mr. EBERHARTER. I definitely do. The Secretary of the Treasury must find that a foreign country is giving a bounty to exports. He can very easily also find out within a few days whether or not an industry in this country is being injured. We should turn that question over to the Secretary of the Treasury. I would say to the gentleman from Kansas—he has asked for it—of course I would not blame the gentleman very much for voting against the wishes of the present administration, but I would like to ask some of the gentlemen on this Republican side of the aisle whether they are going to vote against the wishes of the present administration, against the wishes of their Secretary of the Treasury, and against the wishes of their Secretary of State?

Mr. BYRNES of Wisconsin. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. Is the gentleman opposed to the amendment?

Mr. BYRNES of Wisconsin. I am.

The CHAIRMAN. The gentleman is recognized.

Mr. BYRNES of Wisconsin. Mr. Chairman, I trust the committee will turn down this amendment which has been offered by the committee and which was sponsored by the gentleman from Pennsylvania. In the first place, let us remember that the present machinery in our trade act to protect against subsidized foreign imports has been on our statute books since October 3, 1913. Section 303 of the Tariff Act of 1930 for all intents and purposes goes back to the act of October 3, 1913.

Let us realize just what we are doing here. In the first instance, we put on our statute books or in our tariff act a duty. We imposed a duty on the importation of some specific item. We do it so as to put our producers on a competitive basis with the foreign producers. Then our law goes further and in section 303, we say: If, however, a foreign producer is subsidized in such way as to overcome the effect of the duty which we put on the importation of that item, then the Secretary of the Treasury shall impose a countervailing duty in order to overcome the effect of the subsidy that this foreign producer has received.

The gentleman from Pennsylvania would say that is all right, but before the Treasury can impose a countervailing duty we are going to require that the industry affected come in and prove that it has been injured. We have had a lot of experience through the years with this difficult problem of proving injury. Whether it is to prove it to the Secretary of the Treasury or prove it to the Secretary of State or prove it to the Tariff Commission, it is no simple job. It is not a job that can be done in 2 or 3 days. We have had injury cases pending before the Tariff Commission for months and months before an actual determination has been made of whether there has been an injury or threatened injury.

This particular amendment as proposed by the gentleman from Pennsylvania sets up no standards or test to be used in determining what injury shall be necessary to invoke the countervailing duties.

In my judgment, Mr. Chairman, if this matter should be considered at all it should be considered by itself on its own merits after there have been full hearings on the individual problem. We should permit those people who are affected and who are the opponents of this change to come in and prove their case and it should give the proponents, the Treasury, ample time to explain why they feel the change should be made. Certainly we should consider this amendment under a procedure that limits us to 10 minutes debate, 5 minutes for it and 5 minutes against it when none of the parties have had a full and complete hearing on the matter before the proper legislative committee of the House.

Mr. FISHER. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Texas.

Mr. FISHER. Does the gentleman agree with me that to adopt the Eberharter amendment would actually have



the effect of scuttling and destroying the effectiveness of this antidumping section?

Mr. BYRNES of Wisconsin. It could have, although this is a little different from the antidumping section. That is another section.

Let me make this point: The adoption of this amendment would be like saying to all the countries of the world that in approving the use of multiple-currency rates and other forms of currency manipulation. That is the thing we have been trying in our foreign policy to avoid. We have been trying to encourage stability in the currencies among the foreign countries. This says, oh, no, if you have a problem as far as exports are concerned, all you need do to overcome an American tariff rate or duty is to set up a system of multiple-currency rates or provide a subsidy on exports to the United States.

I trust the amendment will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. REED].

The amendment was rejected.

The CHAIRMAN. Does the gentleman from New York have any further amendments?

Mr. REED of New York. I have no further amendments.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CHENOWETH, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5877) to amend certain administrative provisions of the Tariff Act of 1930 and related laws, and for other purposes, pursuant to House Resolution 327, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed and a motion to reconsider was laid on the table.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6054) entitled "An act to amend the act of April 6, 1949, to provide for additional emergency assistance to farmers and stockmen, and for other purposes."

#### GENERAL LEAVE TO EXTEND

Mr. REED of New York. Mr. Speaker, I ask unanimous consent that all Members be granted 5 legislative days in which to revise and extend their remarks on the bill H. R. 5877.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

#### SPECIAL ORDER GRANTED

(Mr. SAYLOR asked and was given permission to address the House today for 20 minutes, following any special orders heretofore entered.)

#### MUTUAL SECURITY ACT OF 1953

Mr. VORYS. Mr. Speaker, I call up the conference report on the bill (H. R. 5710) to amend further the Mutual Security Act of 1951, as amended, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk proceeded to read the statement.

Mr. VORYS. Mr. Speaker, due to the fact that the conference report and the statement of the managers on the part of the House is in printed form and available to the Members, I ask unanimous consent that the further reading of the statement be dispensed with.

Mr. HOFFMAN of Michigan. Reserving the right to object, Mr. Speaker, can the gentleman tell me what percentage of the amount that is authorized by this bill will be met by the excess-profits tax we put through last week?

Mr. VORYS. I will try to work on that. I cannot figure it right now.

Mr. HOFFMAN of Michigan. I thank the gentleman.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

(For conference report and statement, see proceedings of the House of July 10, 1953.)

Mr. VORYS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on this report, immediately preceding the ordering of the previous question.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VORYS. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, the conference report does not differ materially from the bill

which went from the House because the two bills were quite alike in principle. There were no great differences between them.

Out of 30 items that were in dispute, the House receded on 9, the Senate on 11, and 10 were compromised.

As to the differences in the various limitations on amounts to be authorized, the conference report roughly splits the difference between the two Houses. We had \$4.9 billion, the Senate had \$5.3 billion. The conference report is \$5.1 billion. We went up \$158.5 million, they came down \$161.5 million. Therefore they cut their amount \$3 million more than we increased ours. The conference report is \$2.5 billion, or 33 percent, less than the Truman budget request for the fiscal year 1954, and \$670 million, or 11 percent, less than the original Eisenhower request.

On the matter of time, the Senate agreed to the House termination date of June 30, 1954. The House agreed to an extra year for liquidation deliveries of military equipment, up to June 30, 1957. The early termination date for the present law was agreed on, not because the conferees thought that all forms of assistance would finally terminate on that date, but because the conferees felt that the laws, policies, and administration for assistance should be overhauled and changed early next year, as proposed by the President.

As to transfers, there is great flexibility in the mutual security program through a series of authorizations for 10 percent transfers of funds from one title or purpose to another. The House bill provided less transferability than the administration requested. The Senate raised the administration's requested type of transfer authority from 10 percent to 15 percent, which amounted to a 50 percent increase in flexibility. The conferees agreed on 10 percent, on approximately the basis of the administration request.

The two most important conference actions involved the Judd amendment with reference to agricultural surpluses, and the Richards amendment involving EDC, the European army.

There was language in both bills talking about agricultural surpluses but not doing anything very effective about them. Mr. Judd worked out a constructive, workable position on this, going as far as the conferees were empowered to go within the limitations of the two bills in using agricultural surpluses for foreign aid and mutual security, and requiring a minimum of \$100 million in agricultural surpluses—the first time we have ever had a minimum for use of such surpluses—and a maximum of \$250 million to be use for such purposes.

He will describe this further in a few minutes, but I feel the House, the conferees, and the public owe him a debt of gratitude for his constructive statesmanship in contributing to the solution of this problem.

With reference to the Richards amendment, for the last 5 years our legislation having to do with foreign affairs has contained increasingly urgent and insistent statements of the need which

#### FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Ast, one of its clerks, announced that the Senate insists upon its amendments to the bill (H. R. 5451) entitled "An act to amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. AIKEN, Mr. YOUNG, Mr. THYE, Mr. ELLENDER, and Mr. HOLLAND to be the conferees on the part of the Senate.



has become increasingly apparent and important; Europe must unite. The Richards amendment is the latest and the strongest of these declarations. It refers to the EDC, the European Army, the plan that Europe itself devised for bringing Germany peacefully into the defense of Europe, a great step toward integration which has been awaiting ratification for over a year. The Richards amendment provided that half of the military funds for Europe, which amounted to approximately the funds programmed for the six EDC nations, should be available solely for the European Army. I did not vote for this amendment in committee because I felt it would be used by our enemies to discourage rather than encourage the achievement of the result we all desire. As it comes out of conference, however, with changes that the gentleman from South Carolina [Mr. RICHARDS] has accepted, I feel it will discourage no one except those who are opposed to the unification of Europe. It does not prevent or delay the procurement of equipment. Therefore, under our production schedules it will have no practical effect until after this equipment has been produced approximately 2 years from now. Meanwhile the Congress will have had two sessions to reconsider any recommendations of the President, as provided for in the amendment. Therefore, it does not tie the President's hands and it does not reverse any of his policies. It shows clearly, however, that while we have a long-time reliable interest in European unification, this must take place or else we reserve the right to do some rethinking based on presidential recommendations. This is an "or else" policy statement.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. VORYS. I yield.

Mr. GROSS. As to the termination date of this act, does the gentleman think the termination will be observed any more than it was under the old ECA and Marshall plan, which was supposed to expire in 1952?

Mr. VORYS. As I stated, the House conferees were under no illusions that the whole thing was going to end up about 11 months from now. We did feel, and we urged the other body, and they agreed, that if we put in the termination date of a year from now, that would make sure we would get the new framework of legislation that the administration has promised. It is my hope that this legislation in the future will be on a workable plan, based upon the use of our surpluses, planned to help our own economy, and based upon getting results, a plan that we can live with for a long time.

For some people, this bill is the beginning of the end of United States foreign aid. I think it is the end of the beginning. This beginning period has been marked by emergency bills for relief and recovery, stopgap and piecemeal improvising and temporizing with one crisis after another, and the practice has been never to repeal but always to add other measures on top, resulting in what President Eisenhower has called a

"patchwork of statutes." It is time this period ended.

The results of this ad hoc patchwork period have been better, net, in spite of its defects, than some of us realize. We have had no world war III, worldwide recovery has taken place, and vast revolutionary movements are developing behind the Iron Curtain which were stirred up, not by American propaganda or by American agents, but because those people saw the effect of our outpouring of military and economic aid on the economy and the morale of the countries where people are free. East Germans, bled white by their Soviet conquerors, have seen the results of the economic aid which we, the victors, have poured into West Germany. The people of Asia have seen the help we have given Japan. The result is that behind the Iron Curtain in Europe people are willing to struggle and die for the kind of freedom that they can see in the West, and in Korea, prisoners are willing to struggle and die rather than leave the kind of free world they have seen to return behind the Iron Curtain of the Orient.

We have achieved a great deal with our efforts; we must not let up at the very time they are beginning to bring about the results we sought. For the future, however, our efforts must be better planned, with no waste and extravagance, and with requirements that will bring about results—"or else."

We are coming into a period when we will want to export to the whole world. We want to finance exports however, not with grants, but with loans, repayable in imports of commodities we need, things that will help, not hurt, our own economy.

We are coming into a period when independence of free nations will have to involve interdependence of responsible nations. Freedom from tyranny does not mean freedom from responsibility for other nations any more than for ourselves. Independence from domination does not mean a license to do as they please, for all nations any more than for ourselves.

We are coming into a period that must involve mutual prosperity, and mutual responsibility along with mutual security. I believe that next year will see the end of the beginning of this new period.

Mr. CHIPERFIELD. Mr. Speaker, will the gentleman yield?

Mr. VORYS. I yield.

Mr. CHIPERFIELD. Mr. Speaker, first of all I wish to thank the managers on the part of the House for the splendid work they did in bringing to a successful conclusion the conference on H. R. 5710.

The industry and the knowledge of detail of the distinguished gentleman from Ohio, [Mr. VORYS] was the backbone of the conference on the House side.

The distinguished gentleman from Minnesota [Mr. Judd] did yeoman work in presenting a substitute amendment to the McClellan amendment and the Fulton amendment, which were designed to make maximum use of our sur-

plus agricultural products. I believe his substitute embodies the best provisions of both of these amendments and should not only help our own economy but be of great value to our friends who need this help. Incidentally, it is not a "give away" program.

The distinguished gentleman from South Carolina [Mr. RICHARDS] argued most forcefully for his amendment and the substance of it is retained in the bill. I am hopeful his desire to bring about an European Defense Community will be successful and that by his efforts it will be expedited.

The distinguished gentleman from Alabama [Mr. BATTLE] worked most diligently and approached the issues in a bipartisan manner. He attended every session although during the conference he became a proud father of a baby boy.

So far as the bill itself is concerned, we were able to reduce the Senate authorization by \$161,500,000 while only increasing the House authorization by \$158,500,000. So we had a little better than a 50-50 break so far as the conference was concerned.

We were able to retain the House version so far as termination date of the mutual-security program is concerned but did extend the time for liquidation for both military and economic items. So far as the military end items are concerned, there is a long lead time necessary after the actual contract is entered into and before actual deliveries can be made.

We retained the House version of only 10 percent transferability while the Senate had increased such transferability to 15 percent.

On the whole I feel the conference was very successful. Both the Senate and the House conferees were fair and a sound and workable bill has resulted.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. VORYS. I yield.

Mr. GROSS. I wonder if the gentleman would address himself to page 20 of the conference report to the guaranty provision and explain that briefly.

Mr. VORYS. The House had three provisions with reference to guaranties. We have had a guaranty program in this law for about 5 years. The House provisions extended the period of guaranties from 14 to 20 years to be more effective, made guaranties available over a larger area of countries, and also provided for guaranties against war or revolution. The other body objected to the last provision and struck that out. Otherwise, the guaranty provision is continued. Up to date there have been \$200 million authorized for guaranties. There have been \$120 million of that used. No money at all has had to be paid out to meet the industrial guaranties and about \$500,000 in premiums have been collected.

Mr. GROSS. What do you mean by guaranties? Are you guaranteeing to indemnify exporters or somebody? Whom are you guaranteeing something?

Mr. VORYS. There are rather elaborate provisions, which I cannot take time







# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued July 23, 1953  
For actions of July 22, 1953  
83rd-1st, No. 137

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**HIGHLIGHTS:** House received conference report on Agricultural appropriation bill. House passed foreign-aid appropriation bill. House committee reported orchard-loans bill. House passed grain-storage facilities tax-amortization bill. Senate debated defense appropriation bill. Senate committee tentatively agreed to report famine-relief bill. Senate committee ordered reported customs simplification bill with imported cotton standards amendment.

## HOUSE

1. **AGRICULTURAL APPROPRIATION BILL, 1954.** House received the conference report on this bill, H. R. 5227 (pp. 9708-10). Attached to this Digest are statements pertaining to this measure.

**APPROPRIATIONS.** Passed, 288-111, with amendment, H. R. 6391, the mutual security appropriation bill for 1954 (pp. 9712-47).

Agreed to an amendment by Rep. Vorys increasing by \$5 million the funds for technical assistance to Latin American countries (pp. 9737-8).

Rejected the following amendments:

By Rep. Judd to increase by \$12 million the funds for technical assistance to the Near East and Africa (pp. 9733-5).

By Rep. Judd to increase by \$19 million funds for technical assistance and defense support for Asia and the Pacific (pp. 9735-7).

By Rep. Javits to increase by \$7.5 million the funds for multilateral technical assistance (pp. 9739-40).

By Rep. Coudert to put a \$5.5 billion limitation on the 1954 expenditures of the Mutual Security Administration (pp. 9741-5).

By Rep. Budge to hold the 1954 obligations to the 1953 expenditures (p. 9745).

As passed this bill provides appropriations of \$4,433,678,000 (\$705,224,277 below the revised estimates) plus a \$1,758,000,000 of unobligated carryover for 1954, a total available as of July 1, of \$6,191,000,000.

House conferees were appointed on H. R. 4828, the Interior Department appropriation bill for 1954 (p. 9710). Senate conferees were appointed June 26.



3. ORCHARD LOANS. The Agriculture Committee reported without amendment H. R. 4158, to extend for 5 years the Secretary's authority to make loans to orchardists (H. Rept. 898) (p. 9752).
4. WATER COMPACT. The Interior and Insular Affairs Committee reported without amendment S. 1197, granting consent of Congress to a water compact between Nebr., Wyo., and S. Dak. (H. Rept. 896) (p. 9752).
5. RUBBER. House conferees were appointed on H. R. 5728, to authorize disposal of Government-owned rubber plants (p. 9747).
6. TAXATION; GRAIN STORAGE FACILITIES. Passed without amendment H. R. 6426, to amend the Internal Revenue Code to extend the time during which certain provisions relating to income and estate taxes shall apply (pp. 9704-8). Rep. Martin Iowa, spoke favoring section 206, which would allow an income-tax deduction for the amortization of farm-storage facilities built in calendar year 1953, and in the 3 succeeding calendar years (p. 9708.)
7. FOOD STANDARDS. The Interstate and Foreign Commerce Committee ordered reported (but did not actually report) H. R. 6434, to amend the Food and Drug Act, relating to food standards (p. D755).
8. CLAIMS. Received this Department's report of tort claims paid for the fiscal year ending June 30, 1953; to the Judiciary Committee (p. 9752).
9. LEGISLATIVE PROGRAM. The "Daily Digest" states the House will act on the conference report on the agricultural appropriation bill Thursday, July 23 (p. D753).

#### SENATE

10. APPROPRIATIONS. Debated H. R. 5969, the Defense appropriation bill for 1954 (pp. 9760-828).
11. FAMINE RELIEF; FARM SURPLUS. The "Daily Digest" states: the Agriculture and Forestry Committee "tentatively agreed to report with amendments S. 2249, to make agricultural commodities available to friendly countries to assist in famine and other urgent relief (special subcommittee was appointed to draft language for amendments approved today)"; and "appointed a subcommittee to draft a bill for the disposal of surplus agricultural commodities" (p. D752).
12. FOREIGN TRADE. The Finance Committee ordered reported (but did not actually report) H. R. 5877, the customs simplification bill. The "Daily Digest" states that the bill as ordered reported includes an amendment to allow the Secretary of Treasury to adopt the standards for length of staple established by USDA on imported cotton (p. D752).
13. CLAIMS. Received from this Department a report on tort claims paid by USDA for the period July 1, 1952 to June 30, 1953 (p. 9755).
14. TREATIES. Sen. Knowland submitted an amendment in the form of a substitute to S. J. Res. 1, proposing a constitutional amendment to limit the treaty-making power, and Sen. Wiley inserted the President's statement and his own discussing this amendment (pp. 9757-8).
15. DROUGHT RELIEF. Sen. Daniel discussed the drought situation in the Southwest and the need to develop better programs to combat such situations on the basis of joint Federal-State effort (pp. 9829-30).

# Daily Digest

## HIGHLIGHTS

Senate began consideration of Defense appropriation bill.

House passed mutual security appropriations.

Senate Finance Committee approved customs simplification bill and two tax bills.

House committees approved bills on Territorial education, interstate carriers, and food standards.

Conferees filed report on Agriculture appropriations.

## Senate

### Chamber Action

*Routine Proceedings, pages 9754-9760, 9829*

**Bills Introduced:** 8 bills and 1 resolution were introduced, as follows: S. 2443 to S. 2450; and S. Res. 148.

Pages 9757, 9829

**Bills Reported:** Reports were made as follows:

S. 32, to increase limit on subsistence expenses allowed Federal judges while traveling, and to authorize reimbursement for such travel by privately owned automobiles, with amendments (S. Rept. 608);

S. 2417, to provide for the creation of a Commission on Judicial and Congressional Salaries, with amendments (S. Rept. 609);

H. R. 4152, extending for 1 year the existing income-tax exemptions on the income of members of the Armed Forces who served in a combat zone or were hospitalized because of injuries incurred during such service, with amendment (S. Rept. 610); and

H. R. 157, to provide that the tax on admissions shall not apply to admissions to a moving-picture theater (S. Rept. 611).

Page 9757

**Bills Referred:** 29 House-passed bills were referred to appropriate committee.

Page 9758

**Defense Appropriations:** Senate considered H. R. 5969, Defense appropriations for fiscal year 1954, taking the following actions on amendments:

**Adopted:** All committee amendments, subject to later reconsideration; and

**Rejected:** By 25 yeas to 62 nays, Saltonstall motion to eliminate committee amendment barring funds for defense contracts to correct or prevent economic dislocations.

Pending at recess was Maybank amendment to increase by \$400 million funds for Air Force.

Pages 9760-9828

**Alaska Land Leases:** Senate agreed to hold conference on H. R. 1802, relative to leasing Alaskan lands which have been reserved for educational purposes, and have been found to contain oil, gas, and coal deposits, and appointed as conferees Senators Butler (Nebraska), Dworshak, Barrett, Murray, and Clements.

Page 9829

**Confirmations:** The nominations of Joseph Simonson, of Minnesota, to be Ambassador to Ethiopia, and of Jesse D. Locker, of Ohio, to be Ambassador to Liberia, were confirmed, along with 2 other civilian nominations, and 700 in the Army, 272 in the Air Force, 17 in the Navy, and 3 in the Marine Corps.

Pages 9830-9831

**Nominations:** 121 civilian nominations were received, including those of Cavendish W. Cannon, of Utah, to be Ambassador to Greece, and to serve concurrently as Chief of American Mission for Aid to Greece, and Raymond A. Hare, of Iowa, to be Ambassador to Lebanon.

Page 9830

**Program for Thursday:** Senate recessed at 9:54 p. m. until noon Thursday, July 23, when it will continue on H. R. 5969, Defense appropriations for 1954, to be followed during day and balance of week, not necessarily in order listed, by H. R. 2824, encourage production of tungsten ores, S. J. Res. 96, Commission on International Telecommunications, S. Res. 147, citing Harvey O'Connor for contempt of Senate, H. R. 4484, amend D. C. law as to maximum cost of certain funerals, H. J. Res. 228, immigration of refugee orphans, S. 711, C. & O. Canal easements, H. R. 2236, D. C. area problems, H. R. 2828, Menominee Indians, and H. R. 157, admission tax exemption.



## Committee Meetings

(Committees not listed did not meet)

### FAMINE RELIEF, AND COTTON ACREAGE ALLOTMENTS AND MARKETING QUOTAS

*Committee on Agriculture and Forestry:* Committee met in executive session, after which it announced the following actions:

(1) Tentatively agreed to report with amendments S. 2249, to make agricultural commodities available to friendly countries to assist in famine or other urgent relief (special subcommittee was appointed to draft language for amendments approved today);

(2) Appointed a subcommittee to draft a bill for the disposal of surplus agricultural commodities; and

(3) Considered, but took no action on, S. 2106 and S. 2183, both relating to cotton marketing quotas and acreage allotments. Committee will meet again tomorrow to consider further these bills, as well as new language of amendments adopted today to S. 2249.

### APPROPRIATIONS—SUPPLEMENTAL

*Committee on Appropriations:* Committee continued its hearings on H. R. 6200, making supplemental appropriations for the fiscal year ending June 30, 1954, with testimony, as indicated, from the following witnesses, who were accompanied by their associates:

On Commerce Department items—Secretary Weeks on defense production activities, Under Secretary for Transportation Murray on operating differential subsidies, Maritime Administration, and Loring K. Macy, Acting Assistant Secretary for International Affairs, on export controls;

On Interior Department items—Under Secretary Ralph A. Tudor on defense production activities, and William C. Strand, Director, Office of Territories, on Trust Territory of the Pacific Islands;

On funds for miscellaneous Government commissions—Rowland Hughes, Assistant Director, Bureau of the Budget;

On funds for Subversive Activities Control Board—Harry P. Cain, member of the Board; and

On civil functions item—Brig. Gen. C. H. Chorpening, Chief of Army Engineers for Civil Works.

Hearings continue tomorrow.

### MILITARY PUBLIC WORKS

*Committee on Armed Services:* Subcommittee on Real Estate and Military Construction held hearings on S. 2361, to authorize certain construction at military and naval installations, with testimony from Under Secretary of the Air Force Douglas, Frank R. Creedon, Special Assistant to the Secretary of Defense, and representatives from the Departments of the Army and Navy. Hearings continue tomorrow.

### CUSTOMS SIMPLIFICATION, VETERANS' TAX EXEMPTIONS, AND THEATER TAX

*Committee on Finance:* Committee, in executive session, ordered favorably reported the following:

With amendments H. R. 5877, to amend certain administrative provisions of the Tariff Act of 1930 (Customs Simplification Act of 1953), (amendments would (1) delete from the bill (a) section 15 on dutiable value, (b) section 22 on conversion of currency, and (c) section 7 (b) relating to reimportation of metal products exported and changed in value, and (2) would add to the bill (a) a clarifying amendment to section 11 (c) relating to duty-free use of materials used as dunnage for cargo when being used for temporary devices for control of ship cargo, and (b) an amendment to section 5 to allow the Secretary of the Treasury to adopt the standards for length of staple established by the Secretary of Agriculture on imported cotton);

With an amendment H. R. 4152, extending for 1 year the existing income-tax exemptions on the income of members of the Armed Forces who served in a combat zone or were hospitalized because of injuries incurred during such service (the amendment would allow income-tax deduction for dependent child who cannot be legally adopted due to mental incompetency of the mother); and

Without amendment H. R. 157, to provide that the tax on admissions shall not apply to admissions to a moving-picture theater.

### MARITIME SUBSIDIES

*Committee on Interstate and Foreign Commerce:* Special Subcommittee continued its hearings on maritime subsidies, with testimony from Daniel Strohmeier, vice president, Bethlehem Steel Co. (Shipbuilding Division), New York City. The witness stated that unless we take steps soon to build up the industry in all regards, it faces a deterioration to a dangerous degree.

Hearings continue tomorrow.

### TRADING WITH THE ENEMY ACT AMENDMENTS

*Committee on the Judiciary:* Subcommittee on Trading With the Enemy approved for reporting to the full committee S. 373, to extend the time for filing claims for the return of property under the Trading With the Enemy Act, S. 2231, to amend the Trading With the Enemy Act relating to debt claims, and S. 2315, to authorize payment of certain war claims.

Also, subcommittee held hearings on these and other bills to amend this act, with testimony, as indicated, from the following witnesses:

Favoring S. 249 was Senator Bennett;

Favoring S. J. Res. 92 were Senator Chavez and Delegate Farrington; and

Favoring S. 155 was former Senator Scott Lucas.

Also testifying on these and other related bills were numerous outside witnesses.

Subcommittee recessed subject to call.







# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued July 27, 1953  
For actions of July 24, 1953  
83rd-1st, No. 139

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HIGHLIGHTS: House passed drought-relief appropriation bill. Senate committees reported foreign-relief and customs-simplification bills. Senate rejected conference report on 1st independent offices appropriation bill. House sent FCA-reorganization bill to conference. Senate passed lease-purchase bill for buildings. Sens. Murray and Humphrey criticized USDA for not providing more storage facilities.

## HOUSE

1. DROUGHT-RELIEF APPROPRIATIONS. Passed without amendment H. J. Res. 305, which had been reported by the Appropriations Committee earlier in the day (H. Rept. 922) (pp. 9983-8). Rejected an amendment by Rep. Mahon to increase from \$20,000,000 to \$40,000,000 the amount for FHA loans under title 2 of the Bankhead-Jones Farm Tenant Act (pp. 9987-8).

The committee report states: "The committee recommends the full estimate of \$150,000,000, of which \$130,000,000 is added to the Disaster Loan Revolving Fund, and \$20,000,000 is authorized for regular production and subsistence loans under the Farmer's Home Administration. Of the funds proposed for the Disaster Loan Revolving Fund, \$30,000,000 is provided for economic disaster loans under Section 2 (b) of the Act, \$60,000,000 is allowed for special livestock loans under Section 2 (c)..., and \$40,000,000 is recommended to cover costs incurred in furnishing emergency feed and seed assistance to farmers under Section 2 (d)...

"...Removal of the minimum loan limitation of \$2,500 for loans under Section 2 (c)... is proposed. The committee feels that denial of loans of less than \$2,500 outside of disaster areas will work a severe hardship on small farmers...

"The committee feels strongly that the regular Farmers' Home Administration offices and personnel should be used... It questions the need for additional committees or other special groups..."



2. FCA REORGANIZATION. Reps. Hope, Andresen, Hill, Cooley, and Poage were appointed conferees on H. R. 4353, to reorganize FCA, etc. (p. 9984).
3. BUILDINGS. Passed without amendment H. R. 6342, to authorize GSA to acquire real property and to provide for construction of public buildings thereon by executing purchase contracts (pp. 9989-10004).
4. DEFENSE APPROPRIATION BILL, 1954. House conferees were appointed on this bill, H. R. 5969 (p. 9979).
5. RECLAMATION. The Interior and Insular Affairs Committee reported without amendment H. R. 4551, to amend the Reclamation Project Act of 1939 removing authorization of projects by the Interior Department (H. Rept. 933)(p. 10038).
6. SMALL BUSINESS. Received the conference report on H. R. 5141, to create a Small Business Administration, to replace the RFC (pp. 10029-34, D773).
7. REORGANIZATION. The Government Operations Committee reported/without amendment H. Res. 263, disapproving Reorganization Plan No. 9 of 1953, providing for a reorganized Council of Economic Advisors (p. 10038).
8. FOOD INSPECTION. The Interstate and Foreign Commerce Committee reported without amendment H. R. 6434, to simplify procedures for establishment of food standards by the Food and Drug Administration (H. Rept. 934)(p. 10038).
9. BUDGETING. The Government Operations Committee ordered reported (but did not actually report) H. R. 2, to provide that Federal expenditures shall not exceed revenues except in time of war or national emergency declared by Congress (p. D771).
10. SURPLUS PROPERTY. The Government Operations Committee ordered reported (but did not actually report) H. R. 6382, to extend until June 30, 1954, the period during which GSA may conduct negotiated sales of surplus property (p. D771).
11. FOREIGN TRADE. The Interstate and Foreign Commerce Committee ordered reported (but did not actually report) S. Con. Res. 40, declaring it the sense of Congress that export containers be marked with the words "United States of America" (p. D771).
12. ADJOURNED until Mon., July 27 (p. 10037). Legislative program as announced by Rep. Halleck: Mon., Consent and Private Calendars; Tues., immigration bill; then (if reported) foreign-relief and other bills. Rep. Halleck said, "I am confident we can dispose of the matters next week that are before us." (pp. 10028-9.)

#### SENATE

13. FOREIGN RELIEF. The Agriculture and Forestry Committee reported with amendments S. 2249, to authorize CCC to make agricultural commodities owned by it available to the President for the purpose of enabling the President to assist in meeting famine or other urgent relief requirements in countries friendly to the U. S. (S. Rept. 631)(p. 10046).  
The Committee reported without amendment H. 2475, to authorize the President to use agricultural commodities to improve the foreign relations of the U. S. (S. Rept. 642)(p. 10048).
14. CUSTOMS SIMPLIFICATION BILL. The Finance Committee reported with amendments this bill H. R. 5877 (S. Rept. 632)(p. 10046).

## CUSTOMS SIMPLIFICATION ACT OF 1953

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JULY 24 (legislative day, JULY 6), 1953.—Ordered to be printed

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Mr. MILLIKIN, from the Committee on Finance, submitted the following

## REPORT

[To accompany H. R. 5877]

The Committee on Finance, to whom was referred the bill (H. R. 5877) to amend certain administrative provisions of the Tariff Act of 1930 and related laws, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill do pass.

## PURPOSE

The administrative and procedural provisions of the customs laws of the United States have not kept pace with the rapid expansion of international trade and the many recent far-reaching changes in methods of transportation and the interchange of commodities. H. R. 5877 improves customs operations and reduces both the time and expense of administering them. It eliminates certain unnecessary annoyances and inequities which plague both the Government and private parties engaged in the import-export business. It lays the groundwork for substantial savings in the cost to the Government of handling the vast amount of goods entering this country from foreign sources.

The bill does not change the import classification of any items which might be imported. The bill was intended, and has as its primary purpose, the saving of time, money, and complications in the administration of our customs laws.

## GENERAL STATEMENT

The Customs Administrative Act of 1938 made some changes in general customs procedure. With minor exceptions no modernization of methods has taken place since that time. With congressional sanction a private firm of management consultants has surveyed and studied (1) how the cost of customs operations could be reduced with-



out reducing the services rendered, and (2) how, and whether, the services rendered could be improved without substantially greater cost.

H. R. 5877 contains a number of the improvements recommended by the report of the management experts. It contains others suggested by the Treasury Department. The Finance Committee devoted several days to a painstaking study of the various sections of the bill and each provision has been carefully analyzed. Because of the urgency of the bill, and because of the delay in the receipt of it from the House, extensive hearings have not been possible. For this reason two sections which were highly controversial have been deleted by the committee and their study postponed until a later date.

In reporting favorably on this bill the committee does so, and acted on the bill in committee, without relation to the executive agreement known as the General Agreement on Tariffs and Trade (GATT), which was not approved nor disapproved.

#### AMENDMENTS

Two sections of the bill received from the House are not in the bill as reported by the Finance Committee.

Section 15 of the House bill would have made substantial changes in the methods of ascertaining the dutiable value of goods being imported into the United States. At the present time ad valorem duties must be paid on the "export value" or the "foreign value" whichever is higher. The export value is that value in foreign countries of the goods offered for sale and shipment to the United States, irrespective of the current price in the producing country for home consumption.

The bill as it came from the House would have established the "export value" as the dutiable value of imported merchandise, in all cases where that was ascertainable. Other methods were prescribed when export value was not available.

This section was highly controversial and the Finance Committee felt that it would not be justified in adopting it without hearings, which, judging from the volume of requests for hearings on that section, would have been rather extended. Time would not permit such hearings at this session.

Section 22 of the House bill was also deleted. This section would have made substantial changes in the statutes dealing with the conversion of foreign currencies for customs purposes. Subsection (a) of section 522 of the Tariff Act of 1930, as it would have been amended by this bill, would have required the Secretary of the Treasury to keep current a published list of par values which he found were maintained by foreign countries for their respective currencies. Those par values would then be used whenever, for customs purposes, it was necessary to convert foreign currency into United States currency except when such rates of exchange vary by more than 5 percent from the par value.

The more controversial part of section 22, had to do with multiple rates of exchange. That provision would have put into the statute a much objected to present practice of recognizing the use of multiple rates of exchange by foreign countries in the shipment of goods to the United States. It would have permitted, by law, multiple certification, and application of the rates among those certified, which would

reflect what the foreign country listed as the commercial value of the import in question.

The highly controversial nature of this section indicated that extended hearings would be needed for a proper study of the many ramifications and possibilities inherent in it. Such hearings were not possible at this time.

The committee also deleted paragraph (b) of section 7. This provision would have substantially altered the present law concerning the dutiable status of metal products which have been reimported after they have been exported and improved abroad by the addition of new materials and parts. This provision was not a part of the bill as reported by the Ways and Means Committee, but was an amendment introduced on the floor of the House. The Treasury Department made no report or recommendations to the House committee concerning this provision.

It was brought out in the Finance Committee's discussion of the bill with representatives of the Treasury that the administration of this provision would not in any way simplify customs procedures, and, on the contrary might serve to increase the workload.

The United States Tariff Commission in a report to the Finance Committee on this amendment made the following observations concerning the effect of the adoption of this section:

The precise scope of the proposed new language is not easily defined. It seems clear, however, that such new language would considerably enlarge the scope of the existing provision and its potential application to an infinite variety of new transactions involving foreign articles made abroad wholly or partly from American articles.

While the article "exported for further processing" would have to be composed "of metal (except precious metal)," it is noted that the new or different article returned to the United States "for further processing" would not have to be so composed.

The general policy of imposing the full duties on articles exported from the United States and returned after processing abroad has been in effect for many years and has been intended to protect American labor and enterprises from the competition of foreign processing of domestic materials for subsequent use in this country. Presumably that general principle was not intended to be appreciably impaired by the special provision with respect to assessment of duties on exported articles returned after repairs or alterations made abroad.

Custom officers also would have the added problem of determining that the article had been "manufactured in the United States or subjected to a process of manufacture in the United States," and that the article subsequently brought into the United States after further processing abroad was in fact thereafter further processed in the United States.

Under the proposed language of the bill, one importer might be granted an exemption, whereas another importer, with a case of equal merit involving like articles entered or withdrawn on the same day, might be denied the exemption because of a technicality having no relation to the merits of his claim, i. e., finality of liquidation by reason of section 514 of the Tariff Act.

It would appear from the foregoing that the proposed amendment is a measure designed essentially to provide tariff relief, and that the nature of the relief afforded is such that numerous export and import transactions would arise involving increased and difficult administrative and interpretive problems. Obviously, therefore, the proposed amendment is not a measure designed to provide for simplification of existing customs procedures.

The Finance Committee has endeavored to avoid procedural complications and tariff raising or lowering provisions. For these reasons the committee did not feel it could justify the inclusion of this paragraph in the bill.

An amendment was made to section 5 of the bill which would in no way affect the substance of that section, but which added a pro-



vision for securing greater uniformity in the measurements, for customs purposes, of imported cotton. This amendment was not opposed by the Treasury and it was indicated, insofar as present statutes permit, that Department is adjusting its regulations and procedures to conform to the purpose to which this amendment is directed.

The amendment would, under regulations prescribed by the Secretary of the Treasury, determine for all customs purposes the staple length of cotton by application of the Official Cotton Standards of the United States as established by the Secretary of Agriculture. The present varying standards have caused some confusion which will be eliminated by the adoption of this section.

A minor amendment, mostly clarifying in nature, was also adopted concerning paragraph (c) of section 11. This paragraph would amend section 3115 of the Revised Statutes to extend exemption from duty to equipment and materials used as dunnage for cargo or for the packing or shoring of bulk cargo in American-flag shipping vessels. The House provision did not put a time limit on the use of bulkheads, or other structural alterations for the purpose of shoring or storing cargo, although the intent appeared to be that permanent changes in ship structures should not be included.

The Finance Committee added a minor amendment to this paragraph to establish more clearly that the exemption should apply only to temporary alterations. The committee has been informed that the House sponsors would accept this change.

#### DETAILED DISCUSSION OF THE TECHNICAL PROVISIONS OF THE BILL

##### *Section 1. Short title and effective date*

This section contains a short title, the Customs Simplification Act of 1953, and provides that it will be effective 30 days after enactment, except as otherwise specially provided for.

##### *Section 2. Repeal of obsolete accounting provisions*

Section 2 repeals certain restrictive statutory provisions relating to accounting functions which are assigned to the comptrollers of customs. These provisions require detailed review and checking, resulting in the duplication of certain accounting processes which are performed in the offices of collectors of customs. The statutes are somewhat restrictive in that they preclude some of the procedures which should be part of a modern program of internal audit.

The repeal of these statutes will not result in any relaxation of safeguards to the revenue. Under the Budget and Accounting Act, the Secretary of the Treasury, like the head of every other executive agency, is required to maintain an effective system of internal control, including appropriate internal audit procedures. The Budget and Accounting Act also provides the Comptroller General with authority to conduct his external audits at the site of operations. This "site audit" which evaluates the effectiveness of the accounting system and the internal control of the agency, has already been instituted for the Bureau of Customs.

One of the statutes which this section repeals requires the comptroller of customs to verify all assessments of duties and drawback claims which have been acted upon by the collector of customs. This 100-percent verification is required regardless of the monetary size of either the entry or the drawback claim, including transactions



where no money is involved. With the repeal of this statutory requirement, the Treasury Department will be able to install a selective examination system which has been developed by representatives of the General Accounting Office, the Bureau of Accounts of the Treasury Department, and the Bureau of Customs.

*Section 3. Effective dates of rates of duty*

Section 315 of the Tariff Act (U. S. C., 1946 edition, title 19, sec. 1315) provides that on and after June 18, 1930, all goods, wares, and merchandise which are entered shall be subject to the rates of duties imposed by the Tariff Act of 1930. That act has been amended by many changes in rates of duty as a result of trade agreements, congressional action, and court decisions as to the proper classification of imported articles. Because no specific time during the importing process has been established for the application of the duty and because a series of court decisions have not been completely uniform, the Government and the importers have suffered delay, expense, and litigation. (The last decision on this point was the case of *United States v. Mussman & Shafer, Inc.*, decided by the United States Court of Customs and Patent Appeals on Jan. 14, 1953; C. A. D. 506.)

Subsection (a) of section 315 of the Tariff Act, as amended by subsection (a) of section 3 of this bill will make clear that merchandise is entered for consumption or withdrawn from warehouse for consumption, as the case may be, within the meaning of the various customs laws, proclamations, and regulations thereunder, when the documents comprising the entry for consumption or withdrawal from warehouse for consumption and any estimated or liquidated duties then required to be paid have been deposited with the appropriate customs officer in the form and manner prescribed by regulations of the Secretary of the Treasury. Under the amendment, the applicable rate of duty will be that in effect when the entry or withdrawal has taken place by the performance of the acts referred to in the preceding sentence, except that—

(1) the rate of duty on an article released under an informal mail entry will be the rate in effect when the preparation of the mail entry is completed, and

(2) in the case of merchandise entered for transportation in bond under section 552 of the act from the port of importation to another port for entry for consumption there, the rate of duty will be that in effect when the entry for immediate transportation is accepted by the collector at the port of importation, provided there is no delay in making entry or other factor at the port of destination which requires the collector at that port to take the merchandise into his custody under section 490 of the Tariff Act.

Subsection (b) of section 315 of the Tariff Act, as amended by subsection (a) of section 3 of the bill, would provide that any article which has been entered for consumption but which, before release from customs custody, is removed from the port or other place of intended release because of inaccessibility, overcarriage, strike, act of God, or unforeseen contingency, shall be subject to duty at the rate or rates in effect when the entry for consumption and any required duties were deposited in accordance with subsection (a) of section 315 of the Tariff Act, but only if the article is returned to such port or place within 90 days after the date of removal and

the identity of the article as that covered by the entry is established in accordance with regulations prescribed by the Secretary of the Treasury. If after the 90-day period such an article is returned to the port or other place of intended release, or if the article is returned to another port or other place of intended release, then such return will be a new importation to which subsection (a) of section 315 applies.

Subsection (b) of section 3 of the bill amends section 484 (f) of the Tariff Act. Experience has shown that in the case of merchandise transported in bond under section 552 it is desirable in the interests of economy and the efficient conduct of customs business to permit an entry for consumption or for warehouse to be filed at the port of destination designated in the immediate transportation entry for the entire quantity of merchandise covered by the transportation entry after any part of the shipment has arrived at the port of destination. The Mussman decision has raised a question as to the legality of such a procedure. The proposed amendment of section 484 (f) of the Tariff Act contained in subsection (b) of section 3 of the bill would authorize the continuation of this procedure. It would also specifically authorize merchandise entered for transportation in bond under section 552 to be transported to any place approved by the collector of customs in charge of the port of destination, with the right to file entry at that port for the entire shipment upon the arrival of any part of the shipment at the place to which such collector has authorized it to be transported under the immediate transportation entry.

#### *Section 4. Marketing*

The provisions of law involved are paragraphs 28, 354, 355, 357, 358, 359, 360, 361, and 1553 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1001, pars. 28, 354, 355, 357, 358, 359, 360, 361, and 1553). These paragraphs refer to specific items, such as knives, scissors, surgical instruments, coal-tar products, etc., to be imported and (except for par. 28) specify in detail that the articles enumerated shall have, when imported, the name of the maker or purchaser as well as the name of the country of origin conspicuously and indelibly marked on the outside of the articles. Paragraph 28 requires marking the containers of certain coal-tar products with detailed information as to the contents.

Subsection (a) of section 4 repeals entirely the marking provisions mentioned. The amendment to paragraph 28 would leave unaltered a requirement for information on invoices, a more practical method of conveying information to the industrial users of these products.

Articles formerly covered by special marking requirements will still be subject to the general marking provisions of section 304 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1304), so that they will indicate to the ultimate purchaser the country of their origin.

Representatives of the Treasury Department testifying before the Finance Committee on this bill have indicated that careful attention will be given to the general marking provisions, especially with regard to the permanent marking of the country of origin on cutlery, surgical instruments and the like, and to proper administration of the provisions as applied to other products. The adoption of this section of H. R. 5877 is not intended in any way to change or interfere with



the continued strict observance of the general marking statute. That statute states, among other things that—

Except as hereinafter provided, every article of foreign origin (or its container, as provided in subsection (b) hereof) imported into the United States shall be marked in a conspicuous place as legibly, indelibly, and permanently as the nature of the article (or container) will permit in such manner as to indicate to an ultimate purchaser in the United States the English name of the country of origin of the article.

Subsection (b) provides for the marking of containers when the nature of the article is such that it cannot be marked, or if it is a crude substance or is to be further processed in the United States. Cutlery and similar articles would not ordinarily be in this category.

Subsection (b) of section 4 repeals section 2934 of the Revised Statutes (U. S. C., 1946 edition, title 19, sec. 134) which relates to the marking of medicinal preparations imported into the United States. This provision of law is obsolete. At the present time, the Food and Drug Administration permits relabeling upon importation, under other statutory authority.

Subsection (b) also repeals sections 2885 and 2886 of the Revised Statutes (U. S. C., 1946 edition, title 19, secs. 273 and 274). These sections require the containers of imported liquors or distilled spirits to be marked or scored at the port of landing with the capacity, wine gallons, proof, proof gallons, and other detailed information, such marks to be obliterated upon sale. The marking of such containers serves no useful purpose since under paragraph 813 of the Tariff Act of 1930, as amended, imported alcoholic beverages are subject to customs duties only upon the quantities subject to internal-revenue taxes which are the quantities withdrawn from customs for consumption.

The general marking requirement of section 304 of the Tariff Act that all imported articles shall indicate the country of origin will not be changed except that subsection (c) of section 4 of the bill would amend section 304 (a) (3) of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1304 (a) (3)), to authorize the Secretary of the Treasury to exempt from the general marking provisions of the Tariff Act articles which are not properly marked before importation when the failure to mark was not due to any purpose to avoid compliance with the marking provisions and the articles cannot be marked after importation except at an expense which is economically prohibitive. This subsection will authorize relief for innocent importers in some cases involving undue hardship. However, Treasury officials have stated their intention to administer this section in such a manner that the "hardship" rule will not be subject to abuse.

#### *Section 5. Procedure for customs examination of certain commodities*

Section 5 (a) repeals that part of paragraphs 391 and 393 of the Tariff Act of 1930, as amended, which requires the transportation of imported lead-bearing and zinc-bearing ores from the ports of entry to sampling or smelting establishments for sampling and analysis there according to commercial methods under the supervision of Government officers. The repeal of these sections permits the promulgation of regulations by the Secretary to cover analyzing and sampling these ores.

A requirement that ores be transported to a place, possibly remote from the port of entry, for sampling and analysis when closer facilities



are available for doing the work efficiently may result in unwarranted inconvenience and expense to importers. The amendment brings paragraphs 391 and 393 into harmony with other methods as applied by paragraph 302 of the Tariff Act, relating to manganese, molybdenum, and tungsten ores; paragraph 1658, relating to copper ores; paragraph 1734, relating to ores of gold, silver, or nickel; and other paragraphs which do not contain provisions indicating the methods of sampling and assaying to be used.

Subsection (b) of this section was not in the bill as passed by the House. It would provide essentially the same type of regulations for the determination of the staple length of cotton for duty purposes as apply to wool. It would allow the Secretary of the Treasury to adopt standards for cotton staple length established by the Secretary of Agriculture to which the customs would conform. The adoption of this subsection will remove troublesome conflicts within the customs mechanism.

#### *Section 6. Repeal of certain obsolete reciprocal provisions*

Subsection (a) of section 6 repeals the proviso to paragraph 812 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1001, par. 812), which provides for the forfeiture to the United States of any sized casks or other packages of spirituous or distilled liquors imported from any country under whose laws such sized casks and other similar packages of liquors put up or filled in the United States are denied entry into such country. Subsection (b) repeals section 320 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1320), which provides that the Secretary of the Treasury and the Postmaster General, with the advice and consent of the President, may enter into a reciprocal agreement with any foreign country to provide for the entry free of duty of certain advertising matter. Although this provision has been in the law over 20 years, no action has ever been taken under it.

#### *Section 7. American goods returned*

Section 7 adds new language to paragraph 1615 (f) to provide a means of determining the amount of duty on reimported merchandise in cases when it is impracticable to determine the amount of drawback paid at the time of exportation or whether drawback has been allowed, because of the destruction of customs records or for any other cause.

The section would allow the collector to assess an amount of duty equal to the amount of drawback which he estimates would be allowable if the imported merchandise used in the manufacture or production of the reimported article were dutiable at the rate applicable to such merchandise on the date of importation. It further provides that the Secretary of the Treasury may determine the amounts of duty equal to drawback or internal-revenue tax which shall be applied to articles or classes or kinds of articles, and may exempt from duty certain articles or classes or kinds of articles where the expense and inconvenience to the Government would be disproportionate to the amount of duty.

As discussed under the section of this report entitled "Amendments" it has been explained that the committee deleted a House provision (subsec. (b) of sec. 7) which would have substantially altered the law concerning the dutiable status of metal products brought back into

the United States after having been improved abroad. This provision would have allowed the reimported articles to be dutiable only on the value of the products or materials added in the foreign country. The committee felt that this would have gone beyond the purposes of the bill.

#### *Section 8. Free-entry provisions for travelers*

Section 8 amends paragraph 1798 of the Tariff Act which is the free-entry provision for returning residents and other travelers. The amendment clarifies and realines for purposes of clarification the provisions of that paragraph and in addition makes certain substantive changes. The changes are as follows:

(1) Automobiles, trailers, aircraft, motorcycles, bicycles, baby carriages, boats, horse-drawn conveyances, horses, and similar instruments of transportation, and the usual equipment accompanying the foregoing, imported in connection with the arrival of a nonresident and to be used in the United States only for the transportation of such person, his family and guests, and such incidental carriage of articles as may be appropriate to his personal use of the conveyance, will be admitted free of duty. If such article is sold within 1 year after the date of importation, without prior payment of the duty, such article, or its value (to be recovered from the importer) will be subject to forfeiture, unless the sale is pursuant to a judicial order or in liquidation of the estate of a decedent. At the present time these items may be admitted free of duty under bond under the provisions of section 308 (5) of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1308 (5)).

(2) The exchange, free of duty, of an article entered free of duty by a returning resident for a like article of comparable value will be permitted, if the original article is exported within 60 days after its importation.

(3) A nonresident will be permitted to take with him through the United States, without the payment of duty, articles not in excess of \$200 in value. At the present time, travelers in transit must arrange for the bonded transportation of articles such as gifts which they are carrying to friends and relatives in foreign countries.

(4) The sale within 3 years after the date of arrival of the returning resident, of an article accorded the \$300 exemption will subject the article, or its value (to be recovered from the importer), to forfeiture. The same provision will be applicable to sales of jewelry or similar articles having a value of \$300 or more which have been accorded free entry on behalf of a nonresident.

#### *Section 9. Free entry for noncommercial exhibitions*

Paragraph 1809 (U. S. C., 1946 edition, title 19, sec. 1201, par. 1809) allows free entry of articles under bond for permanent noncommercial exhibitions, such as in museums. The duration of the bond is now unlimited, necessitating the retention of many old records and keeping open many old entries. The amendment in section 9 will limit duration of the bond to 5 years. After that the customs officers will no longer be required to check on the status of the articles.



*Section 10. Temporary free entry for samples and other articles under bond*

Section 308 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1308), permits the temporary free entry of certain enumerated articles under bond for reexportation within 6 months, which the Secretary of the Treasury may extend for another 6 months. These periods of time have proved insufficient. Section 10 (a) of the bill amends section 308 to provide for an original bond for 1 year and to authorize further extension to a total of 3 years.

Section 308 (3) of the Tariff Act permits the temporary free entry of samples for use in taking orders for merchandise, or for examination with a view to reproduction. Since the decision of the Customs Court in *McCall v. United States* (T. D. 47201) the Bureau of Customs has permitted temporary free entry privileges under this section to photoengraved printing plates. Subsection (b) of section 10 excludes from this section photoengraved printing plates imported to be reproduced.

Section 308 (4) of the Tariff Act provides for the temporary free entry under bond of articles intended for experimental purposes. Subsection (c) of section 10 amends section 308 (4) to include articles intended for testing or review purposes, including blueprints, plans, specifications, and other similar articles.

Section 308 (5) provides for the temporary free importation under bond of automobiles, motorcycles, bicycles, airplanes, airships, balloons, boats, racing shells, and similar vehicles and horses and the usual equipment of the foregoing, when brought temporarily into the United States by nonresidents (1) for the purpose of competing in races or other specific contests; or (2) for the transportation of such nonresidents, their families, and guests. Section 10 (d) would amend section 308 (5) to delete therefrom such enumerated articles as are brought in by nonresidents for transportation purposes, since section 8 of the bill includes these articles within the scope of paragraph 1798.

Subsection (e) amends section 308 (7) to extend the temporary free entry provision to containers and other articles, such as reels, etc., when they are being used to cover or hold merchandise during transportation and which are suitable for reuse for that purpose. The value of the container would not be included in the determination of the value of its contents under section 402. Under existing section 308 (7) containers for compressed gases, whether filled or empty, are entitled to temporary free entry.

Section 10 (f) further amends section 308 to include within its terms (1) animals and poultry brought into the United States for the purpose of breeding, exhibition, or competition for prizes, and the usual equipment therefor; (2) theatrical effects brought in by proprietors or managers of theatrical exhibitions for temporary use; and (3) works of art, drawings, engravings, photographic pictures, philosophical and scientific apparatus brought in by professional artists, etc., arriving from abroad for use by them for exhibition and in illustration, promotion, and encouragement of art, science, or industry in the United States. Under existing law, the items listed in (1) above may be brought in temporarily under bond for reexportation within 6 months (par. 1607), and the items in (2) and (3) may be brought in for 6 months with an extension of 6 months in the discretion of the Secretary (pars. 1747 and 1808).



*Section 11. Supplies and equipment for vessels and aircraft*

Subsection (a) amends section 309 (a) and (b) of the Tariff Act so as to extend the exemption from payment of duty and internal revenue tax now available to supplies for certain vessels and aircraft withdrawn from bonded warehouses, bonded manufacturing warehouses, or continuous customs custody elsewhere to supplies withdrawn from foreign trade zones. It also accords free entry for equipment withdrawn for foreign vessels. Further, it enlarges the classes of vessels and aircraft now covered to include all vessels and aircraft operated by the United States.

Subsection (b) amends section 317 (b) of the Tariff Act to extend to foreign ships the exemption from payment of duty and internal revenue tax now available for supplies used in the maintenance or repair of aircraft. The bill also provides an exemption for ground equipment for foreign flag aircraft from duties and taxes imposed on or by reason of importation.

Section 3115 of the Revised Statutes, as amended, provides for the remission or refund of duties for repairs to American vessels and the materials used therein when such a vessel is compelled, by stress of weather or other casualty, to put into a foreign port and purchase equipment or make repairs to secure the safety and seaworthiness of the vessel in order to enable her to reach her port of destination. Section 11 (c) of the bill would amend section 3115 by adding a new subparagraph (3) to extend such exemption from duty to equipment, or parts thereof, or materials, or labor, used as dunnage for cargo, or for the packing or shoring thereof, or in the erection of bulkheads or other similar devices for the control of bulk cargo, or in the preparation of tanks for the carriage of liquid cargo.

A minor amendment, mostly clarifying in nature, was also adopted concerning paragraph (c) of section 11. This paragraph would amend section 3115 of the Revised Statutes to extend exemption from duty to equipment and materials used as dunnage for cargo or other similar devices for the packing or shoring of bulk cargo in shipping vessels. The House provision did not limit the time for the use of bulkheads or other special equipment, although the intent seemed to be that permanent alterations to ship structures should not be included.

The Finance Committee added a minor change to this paragraph to establish more clearly that the exemption should apply only to temporary alterations for particular cargoes. The committee has officially been informed that the House sponsors of the bill would accept this change.

*Section 12. Drawback*

Subsection (a) amends section 313 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1313), to extend from 1 year to 3 years the period during which substitution for drawback purposes may be made.

Section 313 (c) of the Tariff Act provides that upon the exportation of merchandise not conforming to samples or specifications upon which duties have been paid and which, within 30 days after release from customs, is returned to customs custody for exportation, the full amount of the duties paid upon such merchandise shall be refunded as drawback, less 1 percent of such duties. Subsection (b) of section 12 of the bill inserts new language in section 313 (c) to provide for the

refunding of duties in such cases where the merchandise upon which the duties have been paid was sent to the consignee without his consent and extends the period during which the merchandise can be returned to customs custody for exportation from 30 to 90 days or such longer period as the Secretary of the Treasury may allow. The purpose of the amendment is to prevent hardship in cases when the American consignee has paid duty on goods he did not order and wishes to return; and to extend the time for return to customs custody to a period reasonably adequate for discovery of latent defects or those which can only be ascertained by test or use. The Treasury Department reports frequent cases of hardship because of the inadequacy of this 30-day period.

Subsection (e) also amends section 313 (i) to broaden the authority of the Secretary of the Treasury to make such further regulations for the administration of the drawback provisions as may be necessary.

#### *Section 13. Administrative exemptions*

Section 321 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1321), authorizes the Secretary of the Treasury to disregard a difference of less than \$1 between the total duties or taxes deposited or assessed with respect to any entry of merchandise and the total amount of duties or taxes accrued thereon. It further authorizes him to admit articles free of duty when the expense and inconvenience of collecting the duty or tax would be disproportionate to the amount of such duty, but it limits the amount imported by one person in any one day and exempted from the payment of duty, to not over \$5 in value in the case of articles accompanying and for the personal or household use of persons arriving in the United States, and to \$1 in value in any other case. Section 13 also amends section 321 of the Tariff Act to (1) increase from \$1 to \$3 the difference between deposited or assessed duties and actual duties which may be disregarded by the collector; (2) permit free entry of bona fide gifts from persons outside the United States to persons inside the United States up to \$10; (3) allow persons to bring with them articles up to \$10 in value for their personal use; and (4) continue to allow free entry up to \$1 in other cases. However, the Secretary would be enabled to reduce these amounts if he finds such action necessary to protect the revenue.

#### *Section 14. International traffic and rescue work*

This section adds a new section (322) to the Tariff Act of 1930, to grant to international traffic the customary and usual exceptions from customs requirements, now generally recognized but not explained clearly in the statutes. It does not change the customary exceptions as set out in the document, United States Import Duties (1952, p. 269). It would also permit the free entry of search, rescue, and salvage aircraft, and the temporary admission of equipment and supplies for fire fighting and disaster relief.

#### *Section 15. Signing and delivery of manifests*

This was section 16 of the House bill. It amends section 431 of the Tariff Act (U. S. C., 1946 edition, title 19, sec. 1431) to provide that the authorized agent of an air carrier may be responsible for signing and delivering the planes manifest. Under the present language of the act the pilot of the aircraft is the only person who may execute and deliver the manifest for the craft. This provision



is unduly restrictive. It is seldom that the pilot of the aircraft knows the details of the cargo aboard or is acquainted with the technical features of the manifests themselves. The adoption of this section would permit qualified and experienced personnel to handle this phase of the importation of goods by aircraft.

#### *Section 16. Certified invoices and entry of merchandise*

Section 16 (a) of the bill amends section 482 (a) of the Tariff Act (U. S. C., 1946 edition, title 19, sec. 1482 (a)) to correspond to the amendment made by section 16 (c), explained below.

Section 484 (a) of the Tariff Act (U. S. C., 1946 edition, title 19, sec. 1484 (a)) provides that entry of merchandise must be made within 48 hours, exclusive of Sundays and holidays, after the arrival of the importing vessel or vehicle, unless a longer period is authorized. Section 16 (b) of the bill amends section 484 (a) of the Tariff Act to extend this period to 5 days.

Section 484 (b) of the Tariff Act (U. S. C., 1946 edition, title 19, sec. 1484 (b)) provides that all merchandise entered shall be accompanied by an invoice certified by a United States consulate except in certain enumerated situations and further provides that the Secretary of the Treasury may grant certain other exceptions. Section 16 (c) amends section 484 (b) to grant the Secretary discretion to require certified invoices with respect to such merchandise as he deems advisable and to establish terms under which merchandise may be imported without a certified invoice. This amendment will permit the Secretary of the Treasury to make a thorough study of the utility of certified invoices, to require them only where they serve a useful purpose, and, if feasible, to eliminate them entirely.

Section 498 (a) (1) of the Tariff Act (U. S. C., 1946 edition, title 19, sec. 1498 (a) (1)) authorizes the Secretary of the Treasury to permit informal entries up to \$100 in value. Section 16 (d) of the bill amends section 498 (a) (1) to increase the figure to \$250. This section would in no way alter any duty or value for duty purposes, but applies only to the method of preparing the required entry papers. An informal entry is much easier to prepare and to process than the formal entry.

Section 16 (e) of the bill deletes an obsolete reference to the act of June 8, 1896, and adds a new paragraph to section 498 of the tariff act to permit informal entry of merchandise covered by paragraph 1631 of the tariff act (that is, books, maps, and certain other articles imported by religious, educational, and like institutions), without regard to the value of the shipments.

The act of June 8, 1896 (U. S. C., 1946 edition, title 19, secs. 472-475), provides for special delivery and appraisalment of imported articles of limited value and weight. Section 16 (f) of the bill repeals this act, which has not been used for over 50 years.

#### *Section 17. Verification of documents*

This section adds language to section 486 of the Tariff Act (U. S. C., 1946 edition, title 19, sec. 1486) to authorize the Secretary of the Treasury to permit by regulation all documents required in the administration of laws by the customs service to be verified by a written declaration in lieu of any oath now required by law. This change would improve a situation that has been troublesome to importers and to the customs service. The Secretary now has similar



authority with reference to documents required under the internal-revenue laws (sec. 3809 (c) of the Internal Revenue Code).

*Section 18. Amendment of entries*

Subsection (a) amends section 487 of the Tariff Act to eliminate the present provision for amendment of entries to increase or decrease the entered value at any time before appraisement of the merchandise. Such amendments of entries represent a burden of paperwork on the customs service, and in view of the proposed amendments to sections 489, 501, and 503 of the Tariff Act made by section 19 the importers will no longer need to amend their entries to protect their interests.

Section 489 provides, in its first 2 paragraphs, for an undervaluation duty of 1 percent of the final appraised value of the merchandise for each 1 percent that such final value exceeds the value as "entered" by the importer. This undervaluation duty is not a penalty and it cannot be remitted, except in the case of a clerical error by the Treasury Department, or in a case in which the Customs Court finds, on the basis of satisfactory evidence, that the entry of the merchandise at less than the appraised value was without intention to defraud the revenue of the United States or conceal facts or to deceive the appraiser. Section 489 also provides that if the appraised value exceeds the entered value by more than 100 percent, the entry will be presumptively fraudulent, and the merchandise is to be subject to seizure and forfeiture. Subsection (b) of section 18 of the bill repeals these parts of section 489.

Subsection (c) amends section 501 of the present act to require additional notices of appraisement. Under present law, notice is given in most cases only if the appraiser "advances" the entered value, and amendments to entries are at times necessary to assure that notice will be given and judicial review thus made available. Subsection (c) also amends section 501 of the Tariff Act to make it clear that all determinations entering into the decision of the appraiser are subject to judicial review. The language of the amendment conforms to the language in section 514 of the Tariff Act relating to judicial review pursuant to protest against a collector's decision.

The amendment to section 503 by subsection (d) of section 18 of the bill is a companion to the preceding subsections and should be considered with them. Sections 489 and 503 of the present law, taken together, provide that an importer shall set a value on his merchandise. If he fixes too low a figure an undervaluation duty will be levied, and if to be on the safe side he fixes it too high, he can take no benefit from the final appraisement. The amendment does away with this anomaly, and is also necessary to make the change in section 487 (abolishing the amendment of entries) possible without unfairness to importers.

*Section 19. Commingled merchandise*

Section 508 of the Tariff Act (U. S. C., 1946 edition, title 19, sec. 1508) provides that where dutiable merchandise and merchandise which is free of duty or merchandise subject to different rates of duty are so packed together or mingled that the quantity of each class cannot be determined, the whole of such merchandise shall be subject to the highest rate of duty applicable to any part thereof, unless the importer or consignee shall segregate such merchandise at his own

risk and expense under customs supervision within 10 days after entry thereof.

Section 19 of the bill continues, with certain exceptions, the application of the highest rate of duty on unsegregated commingled merchandise and enumerates the means which the customs officer may use to segregate the respective classes of commingled merchandise. It extends the period during which the segregation must be accomplished to 30 days after the date of personal delivery or mailing of written notice to the consignee that the merchandise is commingled. Furthermore, the Secretary is authorized in his discretion to extend the period. Subsection (c) excepts from the operation of this section any part of the shipment when satisfactory proof is furnished by the consignee or his agent that such part is commercially negligible, is not capable of segregation without excessive cost, will not be segregated prior to its use in a manufacturing process or otherwise, and was not commingled to avoid the payment of lawful duties. Any merchandise meeting all these conditions shall be considered subject to the next lower rate of duty (including a free rate of duty) applicable to the merchandise with which it is commingled.

Similarly, subsection (d) excepts from the operation of this section any shipment when satisfactory proof is furnished by the consignee or agent that the value of the commingled merchandise is less than the aggregate value would be if the shipment were segregated, that the shipment is not capable of segregation without excessive cost and will not be segregated prior to its use, and was not commingled with an intent to avoid the payment of lawful duties. Merchandise meeting all these conditions is subject to duty at the rate (including a free rate) applicable to material present in greater quantity than any other material. This subsection is designed specifically to take care of waste-material imports.

#### *Section 20. Correction of errors and mistakes*

Section 520 (c) (1) of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1520 (c) (1)), provides that notwithstanding the fact that a valid protest was not filed, the Secretary of the Treasury may authorize a collector to reliquidate an entry to correct a clerical error in any entry or liquidation which is discovered within 1 year after the date of entry or within 60 days after liquidation when liquidation is made more than 10 months after the date of entry. Section 20 (a) of the bill amends section 520 (c) (1) to extend this relief provision to cover situations involving clerical errors, mistakes of fact, or any other inadvertence not amounting to an error in the construction of a law, in any entry, liquidation, appraisement, or other customs transaction, when such error, mistake, or other inadvertence is adverse to the importer and is manifest from the record or established by written evidence.

Section 520 (c) (2) of the Tariff Act permits the reliquidation of an entry to correct an assessment of duty on household or personal effects which by law were not subject to duty. Section 20 (b) of the bill amends section 520 (c) (2) to permit correction of assessments of duty on household or personal effects which are subject to duty.

*Section 21. Transfers of goods in bonded warehouse*

Section 557 (b) of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1557 (b)) permits the transfer of the right to withdraw goods in bonded warehouses and makes such transfers irrevocable in cases where the transferee, in the bond provided for in that section, assumes the customs obligations of the transferor with respect to the transferred merchandise. It further provides that the transferee is entitled to receive all refunds of moneys paid by him and shall have all rights to file protests under section 514 of the Tariff Act of 1930, "which would otherwise be possessed by the transferor."

Judicial interpretations of section 557 (b) have conferred new rights of protest on transferees and necessitated liquidations and increased recordkeeping by the Treasury Department in behalf of such persons. Section 21 of the bill amends section 557 (b) to provide that all transfers shall be irrevocable; that in the case of each transfer the transferee shall file a bond undertaking to pay all unpaid duties, taxes, charges, and exactions on the merchandise the subject of the transfer; and that a transferee shall have no right to file a protest under section 514, or to a separate liquidation in his behalf, unless the rate of duty, tax, charge, or exaction has been changed pursuant to statute or proclamation after the right to withdraw the merchandise was transferred to him.

*Section 22. Customs supervision*

Section 22 adds a new provision to the Tariff Act of 1930 to permit the Secretary of the Treasury, in his discretion, to determine the degree of supervision by customs officers over activities which are required to be carried out under customs supervision. According to Treasury experts this ratifies and confirms existing practice. In many instances it has been impossible, because of limited budget and manpower, for the Treasury to conform rigidly to the laws interpreted by the courts as requiring constant and specific supervision of certain importing processes.

By allowing a more efficient distribution of manpower this provision would make possible better supervision than is presently possible.

*Section 23. Saving clause*

This section is intended to maintain the status quo on rights and liabilities already accrued under acts which would be repealed or modified by the bill.

## CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

## TARIFF ACT OF 1930, AS AMENDED

PAR. 28. Coal-tar products:

(a) \* \* \*

\* \* \* \* \*

(f) It shall be unlawful to import or bring into the United States any such color, dye, stain, color acid, color base, color lake, leuco-compound, indoxyl, or indoxyl



compound, unless [the immediate container and] the invoice shall bear a plain, conspicuous, and truly descriptive statement of the identity and percentage, exclusive of diluents, of such color, dye, stain, color acid, color base, color lake, leuco-compound, indoxyl, or indoxyl compound contained therein.

\* \* \* \* \*

PAR. 354. Penknives, pocketknives, clasp knives, pruning knives, budding knives, erasers, manicure knives, and all knives by whatever name known, including such as are denominatively mentioned in this Act, which have folding or other than fixed blades or attachments, valued at not more than 40 cents per dozen, 1¼ cents each and 50 per centum ad valorem; valued at more than 40 and not more than 50 cents per dozen, 5 cents each and 50 per centum ad valorem; valued at more than 50 cents and not more than \$1.25 per dozen, 11 cents each and 55 per centum ad valorem; valued at more than \$1.25 and not more than \$3 per dozen, 18 cents each and 55 per centum ad valorem; valued at more than \$3 and not more than \$6 per dozen, 25 cents each and 50 per centum ad valorem; valued at more than \$6 per dozen, 35 cents each and 55 per centum ad valorem; blades, handles, or other parts of any of the foregoing knives or erasers shall be dutiable at not less than the rate herein imposed upon knives and erasers valued at more than 50 cents and not exceeding \$1.25 per dozen; cuticle knives, corn knives, nail files, tweezers, manicure or pedicure nippers, and parts thereof, finished or unfinished, by whatever name known, 60 per centum ad valorem: *Provided*, That any of the foregoing, if imported in the condition of assembled, but not fully finished, shall be dutiable at not less than the rate of duty herein imposed upon fully finished articles of the same material and quality, but not less in any case than 15 cents each and 55 per centum ad valorem: *Provided further*, That all the articles specified in this paragraph, when imported, shall have the name of the maker or purchaser and beneath the same the name of the country of origin die sunk conspicuously and indelibly on the shank or tang of at least one or, if practicable, each and every blade thereof].

PAR. 355. Table, butchers', carving, cooks', hunting, kitchen, bread, cake, pie, slicing, cigar, butter, vegetable, fruit, cheese, canning, fish, carpenters' bench, curriers', drawing, farriers', fleshing, hay, sugar-beet, beet-topping, tanners', plumbers', painters', palette, artists', shoe, and similar knives, forks, and steels, and cleavers, all the foregoing, finished or unfinished, not specially provided for, with handles of mother-of-pearl, shell, ivory, deer, or other animal horn, silver, or other metal than aluminum, nickel, silver, iron or steel, 16 cents each; with handles of hard rubber, solid bone, celluloid, or any pyroxylin, casein, or similar material, 8 cents each; with handles of any other material, if less than four inches in length, exclusive of handle, 2 cents each; if four inches in length or over, exclusive of handle, 8 cents each; any of the foregoing without handles, with blades less than six inches in length, 2 cents each; with blades six inches or more in length, 8 cents each; and in addition thereto, on all the foregoing, 45 per centum ad valorem: *Provided*, that all articles specified in this paragraph when imported, shall have the name of the maker or purchaser and beneath the same the name of the country of origin die sunk legibly and indelibly upon the blade in a place that shall not be covered].

\* \* \* \* \*

PAR. 357. Nail, barbers', and animal clippers, pruning and sheep shears, and all scissors and other shears, and blades for the same, finished or unfinished, valued at not more than 50 cents per dozen, 3½ cents each and 45 per centum ad valorem; valued at more than 50 cents and not more than \$1.75 per dozen, 15 cents each and 45 per centum ad valorem; valued at more than \$1.75 per dozen, 20 cents each and 45 per centum ad valorem: *Provided*, That all articles specified in this paragraph, when imported, shall have die sunk conspicuously and indelibly, the name of the maker or purchaser and beneath the same the name of the country of origin, to be placed on the outside of the blade, between the screw or rivet and the handle of scissors and shears (except pruning and sheep shears), and on the blade or handle of pruning and sheep shears and clippers].

PAR. 358. Safety razors and safety-razor handles and frames, 10 cents each and 30 per centum ad valorem; razors and parts thereof, finished or unfinished, valued at less than 75 cents per dozen, 18 cents each; valued at 75 cents and less than \$1.50 per dozen, 25 cents each; valued at \$1.50 and less than \$3 per dozen, 30 cents each; valued at \$3 and less than \$4 per dozen, 35 cents each; valued at \$4 or more per dozen, 45 cents each; and in addition thereto, on all the foregoing, 30 per centum ad valorem; blades for safety razors, in strips, one-half of 1 cent each and 30 per centum ad valorem; all other, finished or unfinished, 1 cent each and 30 per

centum ad valorem]: *Provided*, That all articles specified in this paragraph, when imported, shall have the name of the maker or purchaser and beneath the same the name of the country of origin die sunk conspicuously and indelibly on the blade or shank or tang on each and every blade and on safety razors and parts thereof].

PAR. 359. Surgical instruments, and parts thereof, including hypodermic needles, hypodermic syringes, and forceps, composed wholly or in part of iron, steel, copper, brass, nickel, aluminum, or other metal, finished or unfinished, 55 per centum ad valorem, unless in chief value of glass, in which case the rate shall be 70 per centum ad valorem; dental instruments, and parts thereof, including hypodermic needles, hypodermic syringes, and forceps, wholly or in part of iron, steel, copper, brass, nickel, aluminum, or other metal finished or unfinished, 35 per centum ad valorem, unless in chief value of glass, in which case the rate shall be 60 per centum ad valorem]: *Provided*, That all articles specified in this paragraph, when imported, shall have the name of the maker or purchaser and beneath the same the name of the country of origin die sunk conspicuously and indelibly on the outside, or if a jointed instrument on the outside when closed].

PAR. 360. Scientific and laboratory instruments, apparatus, utensils, appliances (including surveying and mathematical instruments), and parts thereof, wholly or in chief value of metal, and not plated with gold, silver, or platinum, finished or unfinished, not specially provided for, 40 per centum ad valorem; drawing instruments, and parts thereof, wholly or in chief value of metal, 45 per centum ad valorem]: *Provided*, That all articles specified in this paragraph, when imported, shall have the name of the maker or purchaser and beneath the same the name of the country of origin die sunk conspicuously and indelibly on the outside, or if a jointed instrument on the outside when closed].

PAR. 361. Slip-joint pliers, 60 per centum ad valorem; other pliers, pincers, and nippers, and hinged hand tools for holding and splicing wire, finished or unfinished, valued at not more than \$2 per dozen, 5 cents each and 60 per centum ad valorem; valued at more than \$2 per dozen, 10 cents each and 60 per centum ad valorem]: *Provided*, That all articles specified in this paragraph, when imported, shall have the name of the maker or purchaser and beneath the same the name of the country of origin die sunk conspicuously and indelibly on the outside of the joint].

\* \* \* \* \*

PAR. 391. Lead-bearing ores, flue dust, and mattes of all kinds, 1½ cents per pound on the lead contained therein: *Provided*, That such duty shall not be applied to the lead contained in copper, gold, or silver ores, or copper mattes, unless actually [recovered: *Provided further*, That on all importations of lead-bearing ores, flue dust, and mattes, of all kinds the duties shall be estimated at the port of entry and a bond given in double the amount of such estimated duties for the transportation of the ores, flue dust, or mattes by common carriers bonded for the transportation of appraised or unappraised merchandise to properly equipped sampling or smelting establishments, whether designated as bonded warehouses or otherwise. On the arrival of the ores, flue dust, or mattes at such establishments they shall be sampled according to commercial methods under the supervision of Government officers who shall be stationed at such establishments, and who shall submit the samples thus obtained to a Government assayer, designated by the Secretary of the Treasury, who shall make a proper assay of the sample and report the result to the proper customs officers, and the import entries shall be liquidated thereon. And the] recovered. The Secretary of the Treasury is authorized to make all necessary regulations to enforce the provisions of this paragraph.

\* \* \* \* \*

PAR. 393. Zinc-bearing ores of all kinds, except pyrites containing not more than 3 per centum zinc, 1½ cents per pound on the zinc contained therein: *Provided*, That such duties shall not be applied to the zinc contained in lead or copper ores unless actually [recovered: *Provided further*, That on all importations of zinc-bearing ores the duties shall be estimated at the port of entry, and a bond given in double the amount of such estimated duties for the transportation of the ores by common carriers bonded for the transportation of appraised or unappraised merchandise to properly equipped sampling or smelting establishments, whether designated as bonded warehouses or otherwise. On the arrival of the ores at such establishments they shall be sampled according to commercial methods under the supervision of Government officers, who shall be stationed at such establishments, and who shall submit the samples thus obtained to a Government assayer,



designated by the Secretary of the Treasury, who shall make a proper assay of the sample and report the result to the proper customs officers, and the import entries shall be liquidated thereon. And the *recovered*. The Secretary of the Treasury is authorized to make all necessary regulations to enforce the provisions of this paragraph.

\* \* \* \* \*

PAR. 783. (a) Cotton having a staple of one and one-eighth inches or more in length, 7 cents per pound.

(b) *Under regulations prescribed by the Secretary of the Treasury, the staple length of cotton shall be determined for all customs purposes by application of the Official Cotton Standards of the United States for length of staple, as established by the Secretary of Agriculture and in effect when the determination is to be made.*

\* \* \* \* \*

PAR. 812. No lower rate or amount of duty shall be levied, collected, and paid on the articles enumerated in paragraph 802 of this schedule than that fixed by law for the description of first proof; but it shall be increased in proportion for any greater strength than the strength of first proof, and all imitations of brandy, spirits, or wines imported by any names whatever shall be subject to the highest rate of duty provided for the genuine articles respectively intended to be represented, and in no case less than \$5 per proof gallon *[ Provided, That any brandy or other spirituous or distilled liquors imported in any sized cask, bottle, jug, or other package, of or from any country, dependency, or province under whose laws similar sized casks, bottles, jugs, or other packages of distilled spirits, wine, or other beverage put up or filled in the United States are denied entrance into such country, dependency, or province, shall be forfeited to the United States ]*.

\* \* \* \* \*

PAR. 1553. All thermostatic bottles, carafes, jars, jugs, and other thermostatic containers, or blanks and pistons of such articles, of whatever material composed, constructed with a vacuum or partially vacuum insulation space to maintain the temperature of the contents, whether imported, finished, or unfinished, with or without a jacket or casing of metal or other material, shall be subject to the following rates of duty, namely: Having a capacity of one pint or less, 15 cents each; having a capacity of more than one pint and not more than two pints, 30 cents each; having a capacity of more than two pints, 30 cents each and in addition thereto 5 cents for each pint or fraction thereof by which the capacity exceeds two pints; and in addition thereto, on all the foregoing, 45 per centum ad valorem; parts of any of the foregoing not including those above mentioned, 55 per centum ad valorem *[ Provided, That all articles specified in this paragraph when imported shall have the name of the maker or purchaser and beneath the same the name of the country of origin legibly, indelibly and conspicuously etched with acid on the glass part, and die stamped on the jacket or casing of metal or other material, in a place that shall not be covered thereafter: Provided further, That each label, wrapper, box, or carton in which any of the foregoing are wrapped or packed, when imported, shall have the name of the maker or purchaser and beneath the same the name of the country of origin legibly, indelibly, and conspicuously stamped or printed thereon ]*.

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**[**PAR. 1607. Animals and poultry, brought into the United States temporarily for a period not exceeding six months, for the purpose of breeding, exhibition, or competition for prizes offered by any agricultural, polo, or racing association; but a bond shall be given in accordance with regulations prescribed by the Secretary of the Treasury; also teams of animals, including their harness and tackle, and the wagons or other vehicles actually owned by persons emigrating from foreign countries to the United States with their families, and in actual use for the purpose of such emigration, under such regulations as the Secretary of the Treasury may prescribe; and wild animals and birds intended for exhibition in zoological collections for scientific or educational purposes, and not for sale or profit.**]**

PAR. 1607. (a) *Teams of animals, including their harness and tackle, and the wagons or other vehicles actually owned by persons emigrating from foreign countries to the United States with their families, and in actual use for the purpose of such emigration, under such regulations as the Secretary of the Treasury may prescribe.*

(b) *Wild animals and birds intended for exhibition in zoological collections for scientific or educational purposes, and not for sale or profit.*

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PAR. 1615. (a) \* \* \*

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(f) Upon the entry for consumption or withdrawal from warehouse for consumption of any article previously exported, which is excepted from free entry under this paragraph by the foregoing subparagraph (e) and is not otherwise exempted from the payment of duty, there shall be levied, collected, and paid thereon, in lieu of any other duty or tax, a duty equal to the total duty and internal-revenue tax, if any, then imposed with respect to the importation of like articles not previously exported from the United States, but in no case in excess of the sum of customs drawback, if any, proved to have been allowed upon the exportation of such article from the United States plus the amount of the internal-revenue tax, if any, imposed at the time such article is entered for consumption or withdrawn from warehouse for consumption upon the importation of like articles not previously exported from the United States. Manufactured tobacco subject to duty hereunder shall be retained in customs custody until internal-revenue stamps in payment of any part of the legal duties measured by a rate or amount of internal-revenue tax shall have been placed thereon. *When because of the destruction of customs records or for other cause it is impracticable to establish whether drawback was allowed, or to determine the amount of drawback allowed, on a reimported article excepted under subparagraph (e), there shall be assessed thereon an amount of duty equal to the estimated drawback and internal-revenue tax which would be allowable or refundable if the imported merchandise used in the manufacture or production of the reimported article were dutiable or taxable at the rate applicable to such merchandise on the date of importation, but in no case more than the duty and tax that would apply if the article were originally imported. In order to facilitate the ascertainment and collection of the duty provided for in this subparagraph, the Secretary of the Treasury is authorized to ascertain and specify the amounts of duty equal to drawback or internal-revenue tax which shall be applied to articles or classes or kinds of articles, and to exempt from the assessment of duty articles or classes or kinds of articles excepted under subparagraph (e) with respect to which the collection of such duty involves expense and inconvenience to the Government which is disproportionate to the probable amount of such duty.*

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PAR. 1747. Professional books, implements, instruments, and tools of trade, occupation, or employment in the actual possession of persons emigrating to the United States owned and used by them abroad; but this exemption shall not be construed to include machinery or other articles imported for use in any manufacturing establishment, or for any other person or persons, or for sale, nor shall it be construed to include theatrical scenery, properties, and apparel; but such articles brought by proprietors or managers of theatrical exhibitions arriving from abroad, for temporary use by them in such exhibitions, and not for any other person, and not for sale, and which have been used by them abroad, shall be admitted free of duty under such regulations as the Secretary of the Treasury may prescribe; but bonds shall be given for the payment to the United States of such duties as may be imposed by law upon any and all such articles as shall not be exported within six months after such importation: *Provided*, That the Secretary of the Treasury may, in his discretion, extend such period for a further term of six months in case application shall be made therefor.

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PAR. 1798. Wearing apparel, articles of personal adornment, toilet articles, and similar personal effects of persons arriving in the United States; but this exemption shall include only such articles as were actually owned by them and in their possession abroad at the time of or prior to their departure from a foreign country, and as are necessary and appropriate for the wear and use of such persons and are intended for such wear and use, and shall not be held to apply to merchandise or articles intended for other persons or for sale: *Provided*, That all jewelry and similar articles of personal adornment having a value of \$300 or more, brought in by a nonresident of the United States, shall, if sold within three years after the date of the arrival of such person in the United States, be liable to duty at the rate or rates in force at the time of such sale, to be paid by such person: *Provided further*, That in case of residents of the United States returning from abroad all wearing apparel, personal and household effects, and in the case of individuals returning from abroad, all professional books, implements, instruments, and tools of trade, occupation, or employment, taken by them out of the United States to foreign countries shall be admitted free of duty, without regard to their value, upon their identity being established under appropriate rules and regulations to be prescribed by the Secretary of the Treasury: *Provided further*, That up to but not exceeding \$200 in value of articles (including distilled spirits,

wines, and malt liquors aggregating not more than one wine gallon and including not more than one hundred cigars) acquired abroad by such residents of the United States as an incident of the foreign journey for personal or household use or as souvenirs or curios, but not bought on commission or intended for sale, shall be free of duty: *Provided further*, That (a) in the case of articles acquired in any country other than a contiguous country which maintains a free zone or free port, the exemption authorized by the preceding proviso shall apply only to articles so acquired by a returning resident who has remained beyond the territorial limits of the United States for a period of not less than forty-eight hours and (b) in the case of articles acquired in a contiguous country which maintains a free zone or free port, the Secretary of the Treasury shall by special regulation or instruction, the application of which may be restricted to one or more individual ports of entry, provide that the exemption authorized by the preceding proviso shall be applied only to articles acquired abroad by a returning resident who has remained beyond the territorial limits of the United States for not less than such period (which period shall not exceed twenty-four hours) as the Secretary may deem necessary in the public interest or to facilitate enforcement at the specified port or ports of the requirement that the exemption shall apply only to articles acquired as an incident of the foreign journey: *Provided further*, That the exemption authorized by the second preceding proviso shall apply only to articles declared in accordance with regulations to be prescribed by the Secretary of the Treasury by a returning resident who has not taken advantage of the said exemption within the thirty-day period immediately preceding his return to the United States: *Provided further*, That no such special regulation or instruction shall take effect until the lapse of ninety days after the date of such special regulation or instruction: *Provided further*, That in addition to the exemption authorized by the fourth preceding proviso, a returning resident who has remained beyond the territorial limits of the United States for a period of not less than twelve days, shall be permitted to bring into the United States up to but not exceeding \$300 in value of articles (excluding distilled spirits, wines, malt liquors and cigars) acquired abroad by such resident of the United States as an incident of the foreign journey for personal or household use or as souvenirs or curios, but not bought on commission or intended for sale, free of duty: *Provided further*, That any subsequent sale, within three years after the date of the arrival of such returning resident in the United States, of articles acquired and brought into the United States pursuant to the provisions of the immediately preceding proviso shall subject the returning resident declaring the articles to double the import duty which would have been collected had this additional exemption not been in effect: *Provided further*, That the additional exemption authorized by the second preceding proviso shall apply only to articles declared in accordance with regulations to be prescribed by the Secretary of the Treasury by such returning resident who has not taken advantage of the said exemption within the six-month period immediately preceding his return to the United States: *And provided further*, That all articles exempted by this paragraph from the payment of duty shall also be exempt from the payment of any internal-revenue taxes. ]

PAR. 1798. (a) *Professional books, implements, instruments, and tools of trade, occupation, or employment, when imported by or for the account of any person arriving in the United States by whom or for whose account they were taken abroad.*

(b) *In the case of any person arriving in the United States who is not a returning resident thereof—*

(1) *wearing apparel, articles of personal adornment, toilet articles, and similar personal effects; all the foregoing if actually owned by and in the possession of such person abroad at the time of or prior to his departure for the United States, and if appropriate for his own personal use and intended only for such use and not for any other person nor for sale;*

(2) *automobiles, trailers, aircraft, motorcycles, bicycles, baby carriages, boats, horse-drawn conveyances, horses, and similar means of transportation, and the usual equipment accompanying the foregoing; any of the foregoing imported in connection with the arrival of such person and to be used in the United States only for the transportation of such person, his family and guests, and such incidental carriage of articles as may be appropriate to his personal use of the conveyance; and*

(3) *not exceeding \$200 in value of articles accompanying such a person who is in transit to a place outside United States customs territory and who will take the articles with him to such place.*

(c) *In the case of any person arriving in the United States who is a returning resident thereof—*



(1) all personal and household effects taken abroad by him or for his account and brought back by him or for his account; and

(2) articles (including not more than one wine gallon of alcoholic beverages and not more than one hundred cigars) acquired abroad as an incident of the journey from which he is returning, for his personal or household use, but not imported for the account of any other person nor intended for sale, if declared in accordance with regulations of the Secretary of the Treasury, up to but not exceeding in aggregate value—

(A) \$200, if such person arrives from a contiguous country which maintains a free zone or free port (see subparagraph (d)), or arrives from any other country after having remained beyond the territorial limits of the United States for a period of not less than forty-eight hours, and in either case has not claimed an exemption under this subdivision (A) within the thirty days immediately preceding his arrival; and

(B) \$300 in addition, if such person has remained beyond the territorial limits of the United States for a period of not less than twelve days and has not claimed an exemption under this subdivision (B) within the six months immediately preceding his arrival.

(d) In the case of persons arriving from a contiguous country which maintains a free zone or free port, if the Secretary of the Treasury deems it necessary in the public interest and to facilitate enforcement of the requirement that the exemption shall apply only to articles acquired as an incident of the foreign journey, he shall prescribe by regulation or instruction, the application of which may be restricted to one or more ports of entry, that the exemption authorized by subdivision (2) (A) of subparagraph (c) shall be allowed only to residents who have remained beyond the territorial limits of the United States for not less than a specified period, not to exceed twenty-four hours, and after the expiration of ninety days after the date of such regulation or instruction allowance of the said exemption shall be subject to the limitation so prescribed.

(e) Any article imported to replace a like article of comparable value previously exempted from duty under subdivision (c) of this paragraph shall be allowed free entry if the article previously exempted shall have been exported, under such supervision as the Secretary may prescribe, within sixty days after its importation because it was found by the importer to be unsatisfactory.

(f) All articles exempted by this paragraph from the payment of duty shall be exempt also from the payment of any internal-revenue tax imposed upon or by reason of importation.

(g) If any jewelry or similar articles of personal adornment having a value of \$300 or more which have been exempted from duty under subdivision (1) of subparagraph (b) or any article which has been exempted from duty under subdivision (2) (B) of subparagraph (c) is sold within three years after the date of importation, or if any article which has been exempted from duty under subdivision (2) of subparagraph (b) is sold within one year after the date of importation, without prior payment to the United States of the duty which would have been payable at the time of entry if the article had been entered without the benefit of this paragraph, such article, or its value (to be recovered from the importer), shall be subject to forfeiture. A sale pursuant to a judicial order or in liquidation of the estate of a decedent shall not be subject to the provisions of this subparagraph.

(h) The Secretary of the Treasury shall prescribe methods and regulations for carrying out the provisions of this paragraph. No exemption provided for in this paragraph shall be applied to any article which is not declared in accordance with such regulations.

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¶ PAR. 1808. Works of art, drawings, engravings, photographic pictures, and philosophical and scientific apparatus brought by professional artists, lecturers, or scientists arriving from abroad for use by them temporarily for exhibition and in illustration, promotion, and encouragement of art, science, or industry in the United States, and not for sale, shall be admitted free of duty, under such regulations as the Secretary of the Treasury shall prescribe; but bonds shall be given for the payment to the United States of such duties as may be imposed by law upon any and all such articles as shall not be exported within six months after such importation: *Provided*, That the Secretary of the Treasury may, in his discretion, extend such period for a further term of six months in cases where application therefor shall be made. ¶

PAR. 1809. Works of art, collections in illustration of the progress of the arts, sciences, agriculture, or manufactures, photographs, works in terra cotta, parian, pottery, or porcelain, antiquities and artistic copies thereof in metal or other



material,"imported in good faith for exhibition at a fixed place by any State or by any society or institution established for the encouragement of the arts, sciences, agriculture, or education, or for a municipal corporation, and all like articles imported in good faith by any society or association, or for a municipal corporation, for the purpose of erecting a public monument, and not intended for sale nor for any other purpose than herein expressed; but bond shall be given, under such rules and regulations as the Secretary of the Treasury may prescribe, for the payment of lawful duties which may accrue should any of the articles aforesaid be sold, transferred, or used contrary to this provision *within five years after the date of entry hereunder*, and such articles shall be subject at any time *within such five-year period* to examination and inspection by the proper officers of the customs: *Provided*, That the privileges of this [and the preceding] paragraph shall not be allowed to associations or corporations engaged in or connected with business of a private or commercial character.

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#### SEC. 304. MARKING OF IMPORTED ARTICLES AND CONTAINERS.

(a) MARKING OF ARTICLES.—Except as hereinafter provided, every article of foreign origin (or its container, as provided in subsection (b) hereof) imported into the United States shall be marked in a conspicuous place as legibly, indelibly, and permanently as the nature of the article (or container) will permit in such manner as to indicate to an ultimate purchaser in the United States the English name of the country of origin of the article. The Secretary of the Treasury may by regulations—

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(3) Authorize the exception of any article from the requirements of marking if—

- (A) Such article is incapable of being marked;
- (B) Such article cannot be marked prior to shipment to the United States without injury;
- (C) Such article cannot be marked prior to shipment to the United States, except at an expense economically prohibitive of its importation;
- (D) The marking of a container of such article will reasonably indicate the origin of such article;
- (E) Such article is a crude substance;
- (F) Such article is imported for use by the importer and not intended for sale in its imported or any other form;
- (G) Such article is to be processed in the United States by the importer or for his account otherwise than for the purpose of concealing the origin of such article and in such manner that any mark contemplated by this section would necessarily be obliterated, destroyed, or permanently concealed;
- (H) An ultimate purchaser, by reason of the character of such article or by reason of the circumstances of its importation, must necessarily know the country of origin of such article even though it is not marked to indicate its origin;

(I) Such article was produced more than twenty years prior to its importation into the United States; [or]

(J) Such article is of a class or kind with respect to which the Secretary of the Treasury has given notice by publication in the weekly Treasury Decisions within two years after July 1, 1937, that articles of such class or kind were imported in substantial quantities during the five-year period immediately preceding January 1, 1937, and were not required during such period to be marked to indicate their origin: *Provided*, That this subdivision (J) shall not apply after September 1, 1938, to sawed lumber and timbers, telephone, trolley, electric-light, and telegraph poles of wood, and bundles of shingles; but the President is authorized to suspend the effectiveness of this proviso if he finds such action required to carry out any trade agreement entered into under the authority of the Act of June 12, 1934 (U. S. C., 1934 edition, title 19, secs. 1351-1354), as [extended.] *extended*; or

(K) *Such article cannot be marked after importation except at an expense which is economically prohibitive, and the failure to mark the article before importation was not due to any purpose of the importer, producer, seller, or shipper to avoid compliance with this section.*

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## SEC. 308. TEMPORARY FREE IMPORTATION UNDER BOND FOR EXPORTATION.

The following articles, when not imported for sale or for sale on approval, may be admitted into the United States under such rules and regulations as the Secretary of the Treasury may prescribe, without the payment of duty, under bond for their exportation within ~~【six months】~~ *one year* from the date of importation, which ~~【period may, in the discretion of the Secretary of the Treasury (whether such articles are imported before or after this section becomes effective), be extended, upon application, for a further period not to exceed six months:】~~ *period, in the discretion of the Secretary of the Treasury, may be extended, upon application, for one or more further periods which, when added to the initial one year, shall not exceed a total of three years:*

(1) \* \* \*

(3) Samples (*but not including photoengraved printing plates imported to be reproduced*) solely for use in taking orders for merchandise, or for examination with a view to reproduction;

【(4) Articles intended solely for experimental purposes, and upon satisfactory proof to the Secretary that any such article has been destroyed because of its use for experimental purposes such bond may be canceled without the payment of duty;】

(4) *Articles intended solely for testing, experimental, or review purposes, including plans, specifications, drawings, blueprints, photographs, and similar articles for use in connection with experiments or for study, and upon satisfactory proof that any such article has been destroyed because of its use for any such purpose the obligation under such bond to export such articles shall be treated as satisfied;*

(5) Automobiles, motorcycles, bicycles, airplanes, airships, balloons, boats, racing shells, and similar vehicles and craft, ~~【and horses,】~~ and the usual equipment of the foregoing; all the foregoing which are brought temporarily into the United States by nonresidents ~~【(A)】~~ for the purpose of taking part in races or other specific ~~【contests, or (B) for the transportation of such nonresidents, their families and guests, and such incidental carriage of articles as may be necessary and appropriate to the purposes of the journey but not to be used for the transportation of persons or articles for hire nor in any case primarily for the carriage of articles (but nothing in this chapter shall be construed as altering the customary exceptions of vehicles and other instruments of international traffic from the application of the customs laws); and in the case of horses, vehicles, and craft entered under this subdivision collectors of customs may, under such regulations as the Secretary of the Treasury may prescribe, defer the exaction of a bond for not to exceed ninety days (or six months in the case of such horses, vehicles, and craft from a country which accords a similar privilege to horses, vehicles, and craft from the United States) after the date of importation, but unless such horse, vehicle, or craft is exported or the bond is given within the period of such deferment, such horse, vehicle, or craft shall be subject to forfeiture】~~ *contests;*

【(7) Containers for compressed gases which comply with the laws and regulations for the transportation of such containers in the United States;】

(7) *Containers for compressed gases, filled or empty, and containers or other articles in use for covering or holding merchandise (including personal or household effects) during transportation and suitable for reuse for that purpose,*

(9) Professional equipment, tools of trade, and camping equipment imported for their own use by nonresidents sojourning temporarily in the United States, and articles of special design for temporary use exclusively in connection with the manufacture or production of articles for ~~【export.】~~ *export;*

(10) *Animals and poultry brought into the United States for the purposes of breeding, exhibition, or competition for prizes, and the usual equipment therefor;*

(11) *Theatrical scenery, properties, and apparel brought into the United States by proprietors or managers of theatrical exhibitions arriving from abroad for temporary use by them in such exhibitions; and*

(12) *Works of art, drawings, engravings, photographic pictures, and philosophical and scientific apparatus brought into the United States by professional artists, lecturers, or scientists arriving from abroad for use by them for exhibition and in illustration, promotion, and encouragement of art, science, or industry in the United States.*



## SEC. 309. SUPPLIES FOR CERTAIN VESSELS AND AIRCRAFT.

[(a) EXEMPTION FROM CUSTOMS DUTIES AND INTERNAL-REVENUE TAX.—Articles of foreign or domestic manufacture or production may, under such regulations as the Secretary of the Treasury may prescribe, be withdrawn from bonded warehouses, bonded manufacturing warehouses, or continuous customs custody elsewhere than in a bonded warehouse free of duty or internal-revenue tax, or from any internal revenue bonded warehouse, from any brewery, or from any winery premises or bonded premises for the storage of wine, free of internal-revenue tax for supplies (not including equipment) of vessels of war, in ports of the United States, of any nation which may reciprocate such privilege toward the vessels of war of the United States in its ports, or for supplies (not including equipment) of vessels employed in the fisheries or in the whaling business, or actually engaged in foreign trade or trade between the Atlantic and Pacific ports of the United States or between the United States and any of its possessions, or for supplies (not including equipment) of aircraft registered in the United States and actually engaged in foreign trade or trade between the United States and any of its possession, or for supplies (including equipment) maintenance, or repair of aircraft registered in any foreign country and actually engaged in foreign trade or trade between the United States and any of its possessions, where such trade by foreign aircraft is permitted.]

(a) EXEMPTION FROM DUTIES AND TAXES.—Articles of foreign or domestic origin may be withdrawn, under such regulations as the Secretary of the Treasury may prescribe, from any customs bonded warehouse, from continuous customs custody elsewhere than in a bonded warehouse, or from a foreign-trade zone free of duty and internal-revenue tax, or from any internal-revenue bonded warehouse, from any brewery, or from any winery premises or bonded premises for the storage of wine, free of internal-revenue tax—

(1) for supplies (not including equipment) of (A) vessels or aircraft operated by the United States, (B) vessels of the United States employed in the fisheries or in the whaling business, or actually engaged in foreign trade or trade between the Atlantic and Pacific ports of the United States or between the United States and any of its possessions, or (C) aircraft registered in the United States and actually engaged in foreign trade or trade between the United States and any of its possessions; or

(2) for supplies (including equipment) or repair of (A) vessels of war of any foreign nation, or (B) foreign vessels employed in the fisheries or in the whaling business, or actually engaged in foreign trade or trade between the United States and any of its possessions, where such trade by foreign vessels is permitted; or

(3) for supplies (including equipment), ground equipment, maintenance, or repair of aircraft registered in any foreign country and actually engaged in foreign trade or trade between the United States and any of its possessions, where trade by foreign aircraft is permitted. With respect to articles for ground equipment, the exemption hereunder shall apply only to duties and to taxes imposed upon or by reason of importation.

(b) DRAWBACK.—Articles withdrawn from bonded warehouses, bonded manufacturing warehouses, [or] continuous customs custody elsewhere than in a bonded [warehouse and] warehouse, or from a foreign-trade zone, and articles of domestic manufacture or production, laden as supplies upon [any such foreign vessel or] any such vessel or aircraft of the United States or laden as supplies (including equipment) upon, or used in the maintenance or repair of, any such foreign vessel or aircraft, shall be considered to be exported within the meaning of the drawback provisions of this Act.

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## SEC. 313. DRAWBACK AND REFUNDS.

(a) \* \* \*

(b) SUBSTITUTION FOR DRAWBACK PURPOSES.—If imported duty-paid sugar, or metal, or ore containing metal, or flaxseed or linseed, or flaxseed or linseed oil, and duty-free or domestic merchandise of the same kind and quality are used in the manufacture or production of articles within a period not to exceed [one year] three years from the receipt of such imported merchandise by the manufacturer or producer of such articles, there shall be allowed upon the exportation of any such articles, notwithstanding the fact that none of the imported merchandise may actually have been used in the manufacture or production of the exported articles, an amount of drawback equal to that which would have been allowable had the sugar, or metal, or ore containing metal, or flaxseed or linseed, or flaxseed or



linseed oil, used therein been imported; but the total amount of drawback allowed upon the exportation of such articles, together with the total amount of drawback allowed in respect of such imported merchandise under any other provision of law, shall not exceed 99 per centum of the duty paid on such imported merchandise.

(c) **MERCHANDISE NOT CONFORMING TO SAMPLE OR SPECIFICATIONS.**—Upon the exportation of merchandise not conforming to sample or specifications *or shipped without the consent of the consignee upon which the duties have been paid and which have been entered or withdrawn for consumption and, within [thirty] ninety days after release from customs custody, unless the Secretary authorizes in writing a longer time* returned to customs custody for exportation, the full amount of the duties paid upon such merchandise shall be refunded as drawback, less 1 per centum of such duties.

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(h) **TIME LIMITATION ON EXPORTATION.**—No drawback shall be allowed under the provisions of this section [or of section 6 of the Act entitled “An Act temporarily to provide revenue for the Philippine Islands, and for other purposes,” approved March 8, 1902 (relating to drawback on shipments to the Philippine Islands),] unless the completed article is [exported, or shipped to the Philippine Islands, within three] *exported within five years* after importation of the imported merchandise.

[(i) **REGULATIONS.**—The Secretary of the Treasury is authorized to prescribe regulations governing (1) the identification of imported merchandise used in the manufacture or production of articles entitled to drawback of customs duties, the ascertainment of the quantity of such merchandise used, of the time when such merchandise was received by the manufacturer or producer of the exported articles, and of the amount of duties paid thereon, the determination of the facts of the manufacture or production of such articles in the United States and their exportation therefrom, the time within which drawback entries on such articles shall be filed and completed, to entitle such articles to drawback, and the payment of drawback due thereon; (2) the identification of merchandise withdrawn for consumption and returned to customs custody for exportation, the determination of the facts of nonconformity thereof to sample or specifications and of exportation thereof from the United States, and the payment of the drawback due thereon; (3) the determination and payment of drawback of internal-revenue tax on domestic distilled spirits and wines, including the requirement of such notices, bonds, bills of lading, and other evidence of payment of tax and exportation as the Secretary of the Treasury deems necessary; (4) the remission of duties on imported salt used in curing fish, including the production of proof that the salt has been so used; and (5) the refunding of duties paid upon imported salt used in curing exported meats, including the production of proof that the salt has been so used; and designating the person to whom refund or payment of drawback shall be made.]

(i) **REGULATIONS.**—*Allowance of the privileges provided for in this section shall be subject to compliance with such rules and regulations as the Secretary of the Treasury shall prescribe, which may include, but need not be limited to, the fixing of a time limit within which drawback entries or entries for refund under any of the provisions of this section or section 309 (b) of this Act shall be filed and completed, and the designation of the person to whom any refund or payment of drawback shall be made.*

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#### **[SEC. 315. EFFECTIVE DATE OF RATES OF DUTY.]**

[On and after the day when this Act shall go into effect all goods, wares, and merchandise previously imported, for which no entry has been made, and all goods, wares, and merchandise previously entered without payment of duty and under bond for warehousing, transportation, or any other purpose, for which no permit of delivery to the importer or his agent has been issued, shall be subjected to the duties imposed by this Act and to no other duty upon the entry or the withdrawal thereof. Insofar as duties are based upon the quantity of any merchandise, such duties shall, except as provided in paragraph 813 and section 562 of this Act (relating respectively to certain beverages and to manipulating warehouses), be levied and collected upon the quantity of such merchandise at the time of its importation. No administrative ruling resulting in the imposition of a higher rate of duty or charge than the Secretary of the Treasury shall find to have been applicable to imported merchandise under an established and uniform practice shall be effective with respect to articles entered for consumption or withdrawn from warehouse for consumption prior to the expiration of thirty days after the date of publication in the weekly Treasury Decisions of notice of

such ruling; but this provision shall not apply with respect to the imposition of antidumping duties.】

#### SEC. 315. EFFECTIVE DATES OF RATES OF DUTY.

¶ (a) Except as otherwise specially provided for, the rate or rates of duty imposed by or pursuant to this Act or any other law on any article entered for consumption or withdrawn from warehouse for consumption shall be the rate or rates in effect when the documents comprising the entry for consumption or withdrawal from warehouse for consumption and any estimated or liquidated duties then required to be paid have been deposited with the appropriate customs officer in the form and manner prescribed by regulations of the Secretary of the Treasury, except that—

(1) any article released under an informal mail entry shall be subject to duty at the rate or rates in effect when the preparation of the entry is completed; and

(2) any article which is not subject to a quantitative or tariff-rate quota and which is covered by an entry for immediate transportation made at the port of original importation under section 552 of this Act, if entered for consumption at the port designated by the consignee, or his agent, in such transportation entry without having been taken into the custody of the collector under section 490 of this Act, shall be subject to the rate or rates in effect when the transportation entry was accepted at the port of original importation.

(b) Any article which has been entered for consumption but which, before release from customs custody, is removed from the port or other place of intended release because of inaccessibility, overcarriage, strike, act of God, or unforeseen contingency, shall be subject to duty at the rate or rates in effect when the entry for consumption and any required duties were deposited in accordance with subsection (a) of this section, but only if the article is returned to such port or place within ninety days after the date of removal and the identity of the article as that covered by the entry is established in accordance with regulations prescribed by the Secretary of the Treasury.

(c) Insofar as duties are based upon the quantity of any merchandise, such duties shall, except as provided in paragraph 813 and section 562 of this Act (relating respectively to certain beverages and to manipulating warehouses), be levied and collected upon the quantity of such merchandise at the time of its importation.

(d) No administrative ruling resulting in the imposition of a higher rate of duty or charge than the Secretary of the Treasury shall find to have been applicable to imported merchandise under an established and uniform practice shall be effective with respect to articles entered for consumption or withdrawn from warehouse for consumption prior to the expiration of thirty days after the date of publication in the weekly Treasury Decisions of notice of such rulings; but this provision shall not apply with respect to the imposition of antidumping duties.

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#### SEC. 317. TOBACCO PRODUCTS; SUPPLIES FOR AIRCRAFT.

(a) \* \* \*

(b) The shipment or delivery of any merchandise for use as supplies (including equipment) upon, or in the maintenance or repair [of, aircraft registered in any foreign country and actually engaged in foreign trade or trade between the United States and any of its possessions, where such trade by foreign aircraft is permitted.】 of any vessel or aircraft described in subdivision (2) or (3) of section 309 (a) of this Act, or for use as ground equipment for any such aircraft, shall be deemed an exportation within the meaning of the customs and internal-revenue laws applicable to the exportation of such merchandise without the payment of duty or internal-revenue tax. With respect to merchandise for use as ground equipment, such shipment or delivery shall not be deemed an exportation within the meaning of the internal-revenue laws relating to taxes other than those imposed upon or by reason of importation.

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#### 【SEC. 320. RECIPROCAL AGREEMENTS RELATING TO ADVERTISING MATTER.

【With the advice and consent of the President, the Secretary of the Treasury and the Postmaster General, jointly, may, on behalf of the United States, enter into a reciprocal agreement with any foreign country to provide for the entry free of duty in the respective countries of dispatches or shipments through the mails of circulars, folders, pamphlets, books, and cards, in the nature of advertising matter (except such matter as may be printed, manufactured, or produced in a foreign country, advertising the sale of articles by persons carrying on business in the United States or containing announcements relating to the merchandise or business of such persons) to individual addresses, and may, in the event any such agreement is entered into, prescribe such rules and regulations as they



may deem necessary relating to the customs and postal treatment of such matter in the United States.】

#### SEC. 321. ADMINISTRATIVE EXEMPTIONS.

【Collectors of customs are authorized, under such regulations as the Secretary of the Treasury may prescribe, to disregard a difference of less than \$1 between the total estimated duties or taxes deposited, or the total duties or taxes tentatively assessed, with respect to any entry of merchandise and the total amount of duties or taxes actually accruing thereon, and to admit articles free of duty when the expense and inconvenience of collecting the duty accruing thereon would be disproportionate to the amount of such duty, but the aggregate value of articles imported by one person on one day and exempted from the payment of duty under the authority of this section shall not exceed \$5 in the case of articles accompanying, and for the personal or household use of, persons arriving in the United States, or \$1 in any other case.】

(a) *The Secretary of the Treasury, in order to avoid expense and inconvenience to the Government disproportionate to the amount of revenue that would otherwise be collected, is hereby authorized, under such regulations as he shall prescribe, to—*

(1) *disregard a difference of less than \$3 between the total estimated duties or taxes deposited, or the total duties or taxes tentatively assessed, with respect to any entry of merchandise and the total amount of duties or taxes actually accruing thereon; and*

(2) *admit articles free of duty and of any tax imposed on or by reason of importation, but the aggregate value of articles imported by one person on one day and exempted from the payment of duty shall not exceed—*

(A) *\$10 in the case of articles sent as bona fide gifts from persons in foreign countries to persons in the United States, or*

(B) *\$10 in the case of articles accompanying, and for the personal or household use of, persons arriving in the United States who are not entitled to any exemption from duty or tax under paragraph 1798 (c) (2) of this Act, or*

(C) *\$1 in any other case.*

*The privilege of this subdivision (2) shall not be granted in any case in which merchandise covered by a single order or contract is forwarded in separate lots to secure the benefit of this subdivision (2).*

(b) *The Secretary of the Treasury is authorized by regulations to diminish any dollar amount specified in subsection (a) and to prescribe exceptions to any exemption provided for in such subsection whenever he finds that such action is consistent with the purpose of such subsection or is necessary for any reason to protect the revenue or to prevent unlawful importations.*

#### SEC. 322. INTERNATIONAL TRAFFIC AND RESCUE WORK.

(a) *Vehicles and other instruments of international traffic, of any class specified by the Secretary of the Treasury, shall be granted the customary exceptions from the application of the customs laws to such extent and subject to such terms and conditions as may be prescribed in regulations or instructions of the Secretary of the Treasury.*

(b) *The Secretary of the Treasury may provide by regulation or instruction for the admission, without entry and without the payment of any duty or tax imposed upon or by reason of importation, of—*

(1) *aircraft, equipment, supplies, and spare parts for use in searches, rescues, investigations, repairs, and salvage in connection with accidental damage to aircraft;*

(2) *fire-fighting and rescue and relief equipment and supplies for emergent temporary use in connection with conflagrations; and*

(3) *rescue and relief equipment and supplies for emergent temporary use in connection with floods and other disasters.*

*Any articles admitted under the authority of this subsection and used otherwise than for a purpose herein expressed, or not exported in such time and manner as may be prescribed in the regulations or instructions herein authorized, shall be forfeited to the United States.*

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#### SEC. 431. MANIFEST—REQUIREMENT, FORM, AND CONTENTS.

(a) *The master of every vessel arriving in the United States and required to make entry shall have on board his vessel a manifest in a form to be prescribed by the Secretary of the Treasury and signed by such master under oath as to the truth of the statements therein contained. Such manifest shall contain:*

*First. The names of the ports or places at which the merchandise was taken on board and the ports of entry of the United States for which the same is destined,*



particularly describing the merchandise destined to each such port: *Provided*, That the master of any vessel laden exclusively with coal, sugar, salt, nitrates, hides, dyewoods, wool, or other merchandise in bulk consigned to one owner and arriving at a port for orders, may destine such cargo "for orders", and within fifteen days thereafter, but before the unloading of any part of the cargo such manifest may be amended by the master by designating the port or ports of discharge of such cargo, and in the event of failure to amend the manifest within the time permitted such cargo must be discharged at the port at which the vessel arrived and entered.

Second. The name, description, and build of the vessel, the true measure or tonnage thereof, the port to which such vessel belongs, and the name of the master of such vessel.

Third. A detailed account of all merchandise on board such vessel, with the marks and numbers of each package, and the number and description of the packages according to their usual name or denomination, such as barrel, keg, hogshead, case, or bag.

Fourth. The names of the persons to whom such packages are respectively consigned in accordance with the bills of lading issued therefor, except that when such merchandise is consigned to order the manifest shall so state.

Fifth. The names of the several passengers aboard the vessel, stating whether cabin or steerage passengers, with their baggage, specifying the number and description of the pieces of baggage belonging to each, and a list of all baggage not accompanied by passengers.

Sixth. An account of the sea stores and ship's stores on board of the vessel.

(b) *Whenever a manifest of articles or persons on board an aircraft is required for customs purposes to be signed, or produced or delivered to a customs officer, the manifest may be signed, produced, or delivered by the pilot or person in charge of the aircraft, or by any other authorized agent of the owner or operator of the aircraft, subject to such regulations as the Secretary of the Treasury may prescribe. If any irregularity of omission or commission occurs in any way in respect of any such manifest, the owner or operator of the aircraft shall be liable for any fine or penalty prescribed by law in respect of such irregularity.*

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#### SEC. 439. DELIVERY OF MANIFEST.

Immediately upon arrival and before entering his vessel, the master of a vessel from a foreign port or place required to make entry shall mail or deliver to [the comptroller of customs for the district in which the port of entry is located] *such employee as the Secretary of the Treasury shall designate*, a copy of the manifest, and shall on entering his vessel make affidavit that a true and correct copy was so mailed or delivered, and he shall also mail or deliver to [said comptroller of customs] *such employee designated by the Secretary* a true and correct copy of any correction of such manifest filed on entry of his vessel. Any master who fails so to mail or deliver such copy of the manifest or correction thereof shall be liable to a penalty of not more than \$500.

#### SEC. 440. CORRECTION OF MANIFEST.

If there is any merchandise or baggage on board such vessel which is not included in or which does not agree with the manifest, the master of the vessel shall make a post entry thereof, and mail or deliver a copy to [the comptroller of customs for the district in which the port of entry is located] *such employee as the Secretary of the Treasury shall designate* and for failure so to do shall be liable to a penalty of \$500.

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#### SEC. 452. CERTIFIED INVOICE.

(a) **CERTIFICATION IN GENERAL.**—Every invoice [covering merchandise exceeding \$100 in value] *required pursuant to section 484 (b) of this Act to be certified* shall, at or before the time of the shipment of the merchandise, or as soon thereafter as the conditions will permit, be produced for certification to the consular officer of the United States—

(1) For the consular district in which the merchandise was manufactured, or purchased, or from which it was to be delivered pursuant to contract;

(2) For the consular district in which the merchandise is assembled and repacked for shipment to the United States, if it has been purchased in different consular districts.

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**SEC. 484. ENTRY OF MERCHANDISE.**

(a) **REQUIREMENT AND TIME.**—Except as provided in sections 490, 498, 552, and 553 and in subdivision (j) of section 336 of this Act, and in subdivisions (h) and (i) of this section, the consignee of imported merchandise shall make entry therefor either in person or by an agent authorized by him in writing under such regulations as the Secretary of the Treasury may prescribe. Such entry shall be made at the customhouse within **[forty-eight hours]** *five days*, exclusive of Sundays and holidays, after the entry of the importing vessel or report of the vehicle, or after the arrival at the port of destination in the case of merchandise transported in bond, unless the collector authorizes in writing a longer time.

**[(b) PRODUCTION OF CERTIFIED INVOICE.**—No merchandise shall be admitted to entry under the provisions of this section without the production of a certified invoice therefor, except that entry may be permitted if—

**[(1)** The collector is satisfied that the failure to produce such invoice is due to causes beyond the control of the person making entry;

**[(2)** Such person makes a verified declaration in writing that he is unable to produce such invoice and (A) files therewith a seller's or shipper's invoice, or (B) if he is not in possession of a seller's or shipper's invoice files therewith a statement of the value, or the price paid, in the form of an invoice; and

**[(3)** Such person gives a bond for the production of such certified invoice within six months.

**[The Secretary of the Treasury may by regulations provide for such exceptions from the requirements of this subdivision as he deems advisable.]**

*(b) PRODUCTION OF CERTIFIED INVOICE.—The Secretary of the Treasury shall provide by regulation for the production of a certified invoice with respect to such merchandise as he deems advisable and for the terms and conditions under which such merchandise may be permitted entry under the provisions of this section without the production of a certified invoice.*

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(f) **PACKAGES INCLUDED.**—If any of the certificates or documents necessary to make entry of any part of merchandise arriving on one vessel or vehicle and consigned to one consignee have not arrived, such part may be entered subsequently, and notation of the packages or cases to be omitted from the original entry shall be made thereon. One or more packages arriving on one vessel or vehicle addressed for delivery to one person and imported in another package containing packages addressed for delivery to other persons may be separately entered, under such rules and regulations as the Secretary of the Treasury may prescribe. All other merchandise arriving on one vessel or vehicle and consigned to one consignee shall be included in one entry, unless the Secretary of the Treasury shall authorize the inclusion of portions of such merchandise in separate entries under such rules and regulations as he may **[prescribe.]** *prescribe; except that, in the case of articles not subject to a quantitative or tariff-rate quota, entry for the entire quantity covered by an entry for immediate transportation made under section 552 of this Act may be accepted at the port of entry designated by the consignee, or his agent, in such entry after the arrival of any part of such quantity at such designated port or at such other place of deposit as may be authorized in accordance with regulations prescribed by the Secretary of the Treasury.*

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**SEC. 486. ADMINISTRATION OF [OATHS.] OATHS—VERIFICATION OF DOCUMENTS.**

(a) **CUSTOMS OFFICERS.**—The following officers and employees may administer any oaths required or authorized by law or regulations promulgated thereunder in respect of any matter coming before such officers or employees in the performance of their official duties: (1) Any customs officer appointed by the President; (2) the chief assistant of any such officer, or any officer or employee of the customs field service designated for the purpose by such officer or by the Secretary of the Treasury; and (3) any officer or employee of the Bureau of Customs designated for the purpose by the Secretary of the Treasury.

(b) **POSTMASTERS.**—The postmaster or assistant postmaster of the United States at any post office where customs officers are not stationed, is hereby authorized to administer any oaths required to be made to statements in customs documents by importers of merchandise not exceeding \$100 in value through the mails.

(c) **NO COMPENSATION.**—No compensation or fee shall be demanded or accepted for administering any oath under the provisions of this section.

(d) **VERIFICATION IN LIEU OF OATH.**—*The Secretary of the Treasury may by regulation prescribe that any document required by any law administered by the*



*Customs Service to be under oath may be verified by a written declaration in such form as he shall prescribe, such declaration to be in lieu of the oath otherwise required.*

#### SEC. 487. VALUE IN ENTRY—AMENDMENT.

The consignee or his agent may, under such regulations as the Secretary of the Treasury may prescribe, at the time entry is made, [or at any time before the invoice or the merchandise has come under the observation of the appraiser for the purpose of appraisement,] make in the entry such additions to or deduction from the cost or value given in the invoice as, in his opinion, may raise or lower the same to the value of such merchandise.

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#### SEC. 489. ADDITIONAL DUTIES.

[If the final appraised value of any article of imported merchandise which is subject to an ad valorem rate of duty or to a duty based upon or regulated in any manner by the value thereof shall exceed the entered value, there shall be levied, collected, and paid, in addition to the duties imposed by law on such merchandise, an additional duty of 1 per centum of the total final appraised value thereof for each 1 per centum that such final appraised value exceeds the value declared in the entry. Such additional duty shall apply only to the particular article or articles in each invoice that are so advanced in value upon final appraisement and shall not be imposed upon any article upon which the amount of duty imposed by law on account of the final appraised value does not exceed the amount of duty that would be imposed if the final appraised value did not exceed the entered value, and shall be limited to 75 per centum of the final appraised value of such article or articles. Such additional duties shall not be construed to be penal and shall not be remitted nor payment thereof in any way avoided, except in the case of a clerical error, upon the order of the Secretary of the Treasury, or in any case upon the finding of the United States Customs Court, upon a petition filed at any time after final appraisement and before the expiration of sixty days after liquidation and supported by satisfactory evidence under such rules as the court may prescribe, that the entry of the merchandise at a less value than that returned upon final appraisement was without any intention to defraud the revenue of the United States or to conceal or misrepresent the facts of the case or to deceive the appraiser as to the value of the merchandise. If the appraised value of any merchandise exceeds the value declared in the entry by more than 100 per centum, such entry shall be presumptively fraudulent, and the collector shall seize the whole case or package containing such merchandise and proceed as in case of forfeiture for violation of the customs laws; and in any legal proceeding other than a criminal prosecution that may result from such seizure, the under valuation as shown by the appraisal shall be presumptive evidence of fraud, and the burden of proof shall be on the claimant to rebut the same, and forfeiture shall be adjudged unless he rebuts such presumption of fraud by sufficient evidence.]

[Upon the making of such order or finding, the additional duties shall be remitted or refunded, wholly or in part, and the entry shall be liquidated or reliquidated accordingly. Such additional duties shall not be refunded in case of exportation of the merchandise, nor shall they be subject to the benefit of drawback. All additional duties, penalties, or forfeitures applicable to merchandise entered in connection with a certified invoice shall be alike applicable to merchandise entered in connection with a seller's or shipper's invoice or statement in the form of an invoice.]

Furniture described in paragraph 1811 shall enter the United States at ports which shall be designated by the Secretary of the Treasury for this purpose. If any article described in paragraph 1811 and imported for sale is rejected as unauthentic in respect to the antiquity claimed as a basis for free entry, there shall be imposed, collected, and paid on such article, unless exported under customs supervision, a duty of 25 per centum of the value of such article in addition to any other duty imposed by law upon such article.

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#### SEC. 493. ENTRY UNDER REGULATIONS.

(a) AUTHORIZED FOR CERTAIN MERCHANDISE.—The Secretary of the Treasury is authorized to prescribe rules and regulations for the declaration and entry of—

[ (1) Merchandise not exceeding \$100 in value, including such merchandise imported through the mails; ]

(1) Merchandise, imported in the mails or otherwise, when the aggregate value of the shipment does not exceed such amount, not greater than \$250, as the Secretary of the Treasury shall specify in the regulations, and the specified



*amount may vary for different classes or kinds of merchandise or different classes of transactions;*

(2) Merchandise damaged on the voyage of importation, by fire or through marine casualty or any other cause, without fault on the part of the shipper;

(3) Merchandise recovered from a wrecked or stranded vessel;

(4) Household effects used abroad and personal effects, not imported in pursuance of a purchase or agreement for purchase and not intended for sale;

(5) Articles sent by persons in foreign countries as gifts to persons in the United States;

(6) Articles carried on the person or contained in the baggage of a person arriving in the United States;

(7) Tools of trade of a person arriving in the United States;

(8) Personal effects of citizens of the United States who have died in a foreign country;

(9) Merchandise within the provisions of sections 465 and 466 of this Act (relating to supplies, repairs, and equipment on vessels and railway cars) at the first port of arrival;

(10) Merchandise when in the opinion of the Secretary of the Treasury the value thereof cannot be declared; and

[(11) Merchandise within the provisions of the Act entitled "An Act to expedite the delivery of imported parcels and packages, not exceeding \$500 in value," approved June 8, 1896.]

(11) Merchandise within the provisions of paragraph 1631 of this Act.

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#### SEC. 501. NOTICE OF APPRAISEMENT: REAPPRAISEMENT.

The collector shall give written notice of appraisement to the consignee, his agent, or his attorney, if (1) the appraised value is higher than the entered value, or (2) a change in the classification of the merchandise results from the appraiser's determination of [value.] value, or (3) in any case, if the consignee, his agent, or his attorney requests such notice in writing before appraisement, setting forth a substantial reason for requesting the notice. The decision of the [appraiser shall] appraiser, including all determinations entering into the same, shall be final and conclusive upon all parties unless a written appeal for a reappraisement is filed with or mailed to the United States Customs Court by the collector within sixty days after the date of the appraiser's report, or filed by the consignee or his agent with the collector within thirty days after the date of personal delivery, or if mailed the date of mailing of written notice of appraisement to the consignee, his agent, or his attorney. [No such appeal filed by the consignee or his agent shall be deemed valid, unless he has complied with all the provisions of this Act relating to the entry and appraisement of such merchandise.] Every such appeal shall be transmitted with the entry and the accompanying papers by the collector to the United States Customs Court.

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#### SEC. 503. DUTIABLE VALUE.

(a) GENERAL RULE.—Except as provided in section 562 of this Act (relating to withdrawal from manipulating warehouses) [and in subdivision (b) of this section], the basis for the assessment of duties on imported merchandise subject to ad valorem rates of duty shall be [the entered value or] the final appraised value [, whichever is higher].

[(b) ENTRIES PENDING REAPPRAISEMENT.—If the importer certifies at the time of entry that he has entered the merchandise at a value higher than the value as defined in this Act because of advances by the appraiser in similar cases then pending on appeal for reappraisement of re-appraisement, and if the importer's contention in such pending cases shall subsequently be sustained, wholly or in part, by a final decision on reappraisement or re-appraisement, and if it shall appear that such action of the importer on entry was taken in good faith, the collector shall liquidate the entry in accordance with the final appraisement.]

[(c) (b) BASIS OF RATE.—For the purpose of determining the rate of duty to be assessed upon any merchandise when the rate is based upon or regulated in any manner by the value of the merchandise, the final appraised value shall (except as provided in section 562 of this Act) be taken to be the value of the merchandise.

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**SEC. 508. COMMINGLING OF GOODS.**

[Whenever dutiable merchandise and merchandise which is free of duty or merchandise subject to different rates of duty are so packed together or mingled that the quantity or value of each class of such merchandise cannot be readily ascertained by the customs officers, the whole of such merchandise shall be subject to the highest rate of duty applicable to any part thereof, unless the importer or consignee shall segregate such merchandise at his own risk and expense under customs supervision within ten days after entry thereof, in order that the quantity and value of each part or class thereof may be ascertained.]

(a) Whenever dutiable merchandise and merchandise which is free of duty or merchandise subject to different rates of duty are so packed together or mingled that the quantity or value of each class of such merchandise cannot be readily ascertained by the customs officers (without physical segregation of the shipment or the contents of any entire package thereof), by one or more of the following means: (1) Examination of a representative sample, (2) occasional verification of packing lists or other documents filed at the time of entry, or (3) evidence showing performance of commercial settlement tests generally accepted in the trade and filed in such time and manner as may be prescribed by regulations of the Secretary of the Treasury, and if the consignee or his agent shall not segregate the merchandise pursuant to subsection (b), then the whole of such merchandise shall be subject to the highest rate of duty applicable to any part thereof.

(b) Every segregation of merchandise made pursuant to this section shall be accomplished by the consignee or his agent at the risk and expense of the consignee within thirty days after the date of personal delivery or mailing; by such employee as the Secretary of the Treasury shall designate, of written notice to the consignee that the merchandise is commingled, unless the Secretary authorizes in writing a longer time. Every such segregation shall be accomplished under customs supervision, and the compensation and expenses of the supervising customs officers shall be reimbursed to the Government by the consignee under such regulations as the Secretary of the Treasury may prescribe.

(c) The foregoing provisions of this section shall not apply with respect to any part of a shipment if the consignee or his agent shall furnish, in such time and manner as may be prescribed by regulations of the Secretary of the Treasury, satisfactory proof (1) that such part (A) is commercially negligible, (B) is not capable of segregation without excessive cost, and (C) will not be segregated prior to its use in a manufacturing process or otherwise, and (2) that the commingling was not intended to avoid the payment of lawful duties or any part thereof. Any merchandise with respect to which such proof is furnished shall be considered for all customs purposes as a part of the merchandise, subject to the next lower rate of duty (including a free rate), with which it is commingled.

(d) The foregoing provisions of this section shall not apply with respect to any shipment if the consignee or his agent shall furnish, in such time and manner as may be prescribed by regulations of the Secretary of the Treasury, satisfactory proof (1) that the value of the commingled merchandise is less than the aggregate value would be if the shipment were segregated; (2) that the shipment is not capable of segregation without excessive cost and will not be segregated prior to its use in a manufacturing process or otherwise; and (3) that the commingling was not intended to avoid the payment of lawful duties or any part thereof. Any merchandise with respect to which such proof is furnished shall be considered for all customs purposes to be dutiable at the rate (including a free rate) applicable to the material present in greater quantity than any other material.

**SEC. 520. REFUNDS AND ERRORS.**

(a) \* \* \*

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(c) Notwithstanding a valid protest was not filed, the Secretary of the Treasury may authorize a collector to reliquidate an entry to correct—

[(1) A clerical error in any entry or liquidation discovered within one year after the date of entry, or within sixty days after liquidation when liquidation is made more than ten months after the date of entry; or]

(1) a clerical error, mistake of fact, or other inadvertence not amounting to an error in the construction of a law, adverse to the importer and manifest from the record or established by documentary evidence, in any entry, liquidation, appraisement, or other customs transaction, when the error, mistake, or inadvertence is brought to the attention of the customs service within one year after the date of entry, appraisement, or transaction, or within sixty days after liquidation or exaction when the liquidation or exaction is made more than ten months after the date of the entry, appraisement, or transaction; or



(2) [Any] any assessment of duty on household or personal effects [which by law were not subject to duty and] in respect of which an application for refund has been [filed with the collector within] filed, with such employee as the Secretary of the Treasury shall designate, within one year after the date of entry.

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#### SEC. 523. COMPTROLLERS OF CUSTOMS.

[Naval officers of customs in office on September 22, 1922, and their successors shall continue to be known as Comptrollers of Customs.

[Comptrollers of Customs shall examine the collector's accounts of receipts and disbursements of money and receipts and disposition of merchandise and certify the same to the Secretary of the Treasury for transmission to the General Accounting Office. They shall perform such other duties as the Secretary of the Treasury may from time to time prescribe, and their administrative examination shall extend to all customs districts assigned to them by the Secretary of the Treasury.

[Comptrollers of Customs shall verify all assessments of duties and allowances of drawbacks made by collectors in connection with the liquidation thereof. In cases of disagreement between a collector and a Comptroller of Customs, the latter shall report the facts to the Secretary of the Treasury for instructions.

[This section shall not be construed to affect the manner of appointment, the terms of office, or the compensation of any such officer as now provided by law, nor to affect the provisions of the Budget and Accounting Act, 1921, approved June 10, 1921.

[So much of sections 2626 and 4158 of the Revised Statutes, as amended, as requires the countersigning of documents by naval officers (now Comptrollers of Customs) or by surveyors, and so much of section 4332 of the Revised Statutes, as amended, as requires the signing of documents by naval officers (now Comptrollers of Customs), is hereby repealed.]

#### SEC. 523. EXAMINATION OF ACCOUNTS.

*The Secretary of the Treasury or such officer or employee as he shall designate, shall, under regulations and instructions prescribed by the Secretary—*

(1) *examine the collectors' accounts of receipts and disbursements of money and receipts and disposition of merchandise; and*

(2) *verify, to such extent as the Secretary of the Treasury shall direct, assessments of duties and taxes and allowances of drawback.*

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#### SEC. 557. ENTRY FOR WAREHOUSE—WAREHOUSE PERIOD—DRAWBACK.

(a) \* \* \*

[(b) The right to withdraw any merchandise entered in accordance with subsection (a) of this section for the purposes specified in such subsection may be transferred upon compliance with regulations prescribed by the Secretary of the Treasury. So long as any such transfer remains unrevoked the transferee shall have, with respect to the merchandise the subject of the transfer, all rights to file protests, and to the privileges provided for in this section and in sections 562 and 563 of this Act which would otherwise be possessed by the transferor. The transferee shall also have the right to receive all lawful refunds of moneys paid by him to the United States with respect to the merchandise and no revocation of any transfer shall deprive him of this right. Any such transfer may be made irrevocable by the filing of a bond of the transferee in such amount and with such conditions as the Secretary of the Treasury shall prescribe, including an obligation to pay all unpaid regular, increased, and additional duties, charges, and exactions on the merchandise the subject of the transfer. Upon the filing of such bond the transferor shall be relieved from liability for the payment of duties, charges, and exactions on the merchandise the subject of the transfer, but shall remain bound by all other unsatisfied conditions of his bond.]

(b) *The right to withdraw any merchandise entered in accordance with subsection (a) of this section for the purposes specified in such subsection may be transferred upon compliance with regulations prescribed by the Secretary of the Treasury and upon the filing by the transferee of a bond in such amount and containing such conditions as the Secretary of the Treasury shall prescribe. The bond shall include an obligation to pay, with respect to the merchandise the subject of the transfer, all unpaid regular, increased, and additional duties, all unpaid taxes imposed upon or by reason of importation, and all unpaid charges and exactions. Such transfers shall be irrevocable, shall relieve the transferor from all customs liability with respect*



to obligations assumed by the transferee under the bond herein provided for, and shall confer upon the transferee all rights to the privileges provided for in this section and in sections 562 and 563 of this Act which were vested in the transferor prior to the transfer. The transferee shall also have the right to receive all lawful refunds of moneys paid by him to the United States with respect to the merchandise the subject of the transfer, but shall have no right to file any protest under section 514 of this Act except as to decisions with respect to his rights under subsection (c) of this section or under section 562 or 563 of this Act or against a decision as to the rate or amount of duty, tax, charge, or exaction when such rate or amount has been changed by statute or proclamation on or after the date of the transfer. The transferee shall have no right to file an appeal for reappraisal under section 501 of this Act, except when subsequent to the transfer and before a withdrawal for consumption has been deposited for the merchandise, it has been changed in condition pursuant to the provisions of section 562 or 311 of this Act in a manner which necessitates that it be appraised in its changed condition in order that the correct amount of duties may be assessed. No new or separate liquidation, reliquidation, or determination shall be made in the name of, or on behalf of, a transferee, except with regard to any matter which may arise under subsection (c) of this section or section 562 or 563 of this Act when the transferee has invoked either of these sections, and in the case of a statutory or proclaimed change in the rate of duty, tax, charge, or exaction applicable to the merchandise the subject of the transfer and effective on or after the date of the transfer. A transferee may further transfer the right to withdraw merchandise, subject to the provisions of this subsection relating to original transfers.

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#### SEC. 562. MANIPULATION IN WAREHOUSE.

Unless by special authority of the Secretary of the Treasury, no merchandise shall be withdrawn from bonded warehouse in less quantity than an entire bale, cask, box, or other package; or, if in bulk, in the entire quantity imported or in a quantity not less than one ton weight. All merchandise so withdrawn shall be withdrawn in the original packages in which imported unless, upon the application of the importer, it appears to the collector that it is necessary to the safety or preservation of the merchandise to repack or transfer the same: *Provided*, That upon permission therefor being granted by the Secretary of the Treasury, and under customs supervision, at the expense of the proprietor, merchandise may be cleaned, sorted, repacked, or otherwise changed in condition, but not manufactured, in bonded warehouses established for that purpose and be withdrawn therefrom for exportation to a foreign country or for shipment to the Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, or the island of Guam, without payment of the duties, or for consumption, upon payment of the duties accruing thereon, in its condition and quantity, and at its weight, at the time of withdrawal from warehouse, with such additions to or reductions from the final appraised value as may be necessary by reason of change in condition. The basis for the assessment of duties on such merchandise so withdrawn for consumption shall be [the entered value or] the adjusted final appraised value, [whichever is higher,] and if the rate of duty is based upon or regulated in any manner by the value of the [merchandise such] *merchandise, such rate shall be based upon or regulated by such adjusted final appraised value*; but for the purpose of the ascertainment and assessment of additional duties under section 489 of this Act adjustments of the final appraised value shall be disregarded]. The scouring or carbonizing of wool shall not be considered a process of manufacture within the provisions of this section. Under such regulations as the Secretary of the Treasury shall prescribe, imported merchandise which has been entered and which has remained in continuous customs custody may be manipulated in accordance with the provisions of this section under customs supervision and at the risk and expense of the consignee, but elsewhere than in a bonded warehouse, in cases where neither the protection of the revenue nor the proper conduct of customs business requires that such manipulation be done in a bonded warehouse.

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#### SEC. 646. CUSTOMS SUPERVISION.

Wherever in this Act any action or thing is required to be done or maintained under the supervision of customs officers, such supervision may be direct and continuous or by occasional verification as may be required by regulations of the Secretary of the Treasury, or, in the absence of such regulations for a particular case, as the principal customs officer concerned shall direct.

## REVISED STATUTES OF THE UNITED STATES

[SEC. 2621. At each of the ports for which there are a collector, comptroller, and surveyor, it shall be the duty of the collector:

[First. To receive all reports, manifests, and documents to be made or exhibited on the entry of any ship or vessel, according to the regulations of this title.

[Second. To record, in books to be kept for that purpose, all manifests.

[Third. To receive the entries of all ships or vessels, and of the goods, wares, and merchandise imported in them.

[Fourth. To estimate, together with the comptroller where there is one, or alone where there is none, the amount of the dues payable thereupon, indorsing such amount upon the respective entries.

[Fifth. To receive all moneys paid for duties, and take all bonds for securing the payment thereof.

[Sixth. To grant all permits for the unloading and delivery of goods.

[Seventh. To provide, with the approval of the Secretary of the Treasury, at the public expense, storerooms for the safekeeping of goods, and such scales, weights, and measures as may be necessary.]

[SEC. 2622. At ports at which there are a collector and surveyor only, the collector shall solely execute all the duties in which the cooperation of the comptroller is requisite at the ports where there is a comptroller. And he shall act in like manner in case of the disability or death of the comptroller, until a successor is appointed, unless there is a deputy duly authorized, who in that case shall continue to act until an appointment is made.]

[SEC. 2623. At ports at which there is a collector only, the collector shall solely execute all the duties in which the cooperation of the comptroller is requisite, at ports where a comptroller is appointed, and he shall also, as far as may be, perform all the duties prescribed for surveyors at ports where surveyors are authorized.]

\* \* \* \* \*

[SEC. 2626. At ports at which there are a collector, comptroller, and surveyor, it shall be the duty of the comptroller—

[First. To receive copies of all manifests and entries.

[Second. To estimate, together with the collector, the duties on all merchandise subject to duty, and no duties shall be received without such estimates.

[Third. To keep a separate record of such estimates.

[Fifth. To examine the collector's abstracts of duties and other accounts of receipts, bonds, and expenditures, and certify the same if found right.]

\* \* \* \* \*

[SEC. 2639. Every collector, comptroller, and surveyor shall keep accurate accounts of all moneys received by him, and of all expenditures, specifying expenditures for rent, fuel, stationery, and clerk hire, and shall annually, within ten days after the 30th day of June, transmit the same, verified by oath, to the General Accounting Office. Every collector, comptroller, or surveyor who omits or neglects to keep such account, or to transmit the same so verified, shall be liable to a penalty of not more than \$500. The Secretary of the Treasury shall make appropriate rules and regulations for carrying out the provisions of this section.]

[SEC. 2640. Collectors, comptrollers, and surveyors shall attend in person at the ports at which their duties are to be performed; and shall keep fair and true accounts and records of all their transactions, as officers of the customs, in such manner and form as may from time to time be directed by the Secretary of the Treasury; and shall at all times submit their books, papers, and accounts to the inspection of such persons as may be appointed for that purpose; and shall once in every month, or oftener if they shall be required, transmit their accounts for settlement to the officer or officers whose duty it shall be to make such settlement. And if any collector, comptroller, or surveyor shall omit to keep fair and true accounts, or shall refuse to submit forthwith his books, papers and accounts to inspection as required by law, or if any collector shall omit or refuse to render his accounts for settlement, for a term exceeding three months after the same shall have been required by the proper officer, the delinquent officer shall be liable to a penalty of \$1,000 to be recovered with costs of suit.]

[SEC. 2641. Every collector, comptroller, and surveyor shall account to the Treasury for all the expenses incident to his office. Such accounts shall be



rendered on oath, at such times and in such forms, and shall be supported by such proofs, as shall be prescribed by the Secretary of the Treasury.】

\* \* \* \* \*

【SEC. 2643. Every collector, comptroller, and surveyor shall, together with his accounts of the expenses incident to his office, render a list of the clerks employed by him, stating the rate of compensation allowed to each, and the duties which they severally perform; and also an account of the sums paid for stationery, official or contingent expenses, fuel, and office rent, stating the purposes for which the premises rented are applied.】

\* \* \* \* \*

【SEC. 2885. The officers of inspection of any port where distilled spirits or wines shall be landed, shall, upon the landing thereof, and as soon as the casks, vessels, and cases containing the same shall be inspected, gauged, or measured, brand or otherwise mark in durable characters, the several casks, vessels, and cases containing the same, and the marks shall express the number of casks, vessels, or cases, whether of spirits or wines, marked by each officer respectively, in each year, in progressive numbers for each of the articles; also the port of importation, the name of the vessel, and the surname of the master; also each kind of spirits or wines, for which different rates of duty are or shall be imposed, the number of gallons in each cask or case, and the rate of proof if spirits; also the name of the surveyor or chief officer of inspection for the port, and the date of importation; of all which particulars the chief officers of inspections shall keep fair and correct accounts, in books to be provided for that purpose.】

【SEC. 2886. On the sale of any cask, vessel, or case, which has been or shall be marked as containing distilled spirits or wines, and which has been emptied of its contents, and prior to the delivery thereof to the purchaser, or any removal thereof, the marks and numbers, which shall have been set thereon by or under the direction of any officer of inspection, shall be defaced and obliterated in the presence of some officer of inspection or of the customs, who shall, on due notice being given, attend for that purpose, at which time the certificate which ought to accompany such chest, vessel, or case, shall also be returned and canceled. Every person who shall obliterate, counterfeit, alter, or deface any mark or number placed by an officer of inspection upon any cask, vessel, or case, containing distilled spirits or wines, or any certificate thereof: or who shall sell or in any way alienate or remove any cask, vessel, or case, which has been emptied of its contents, before the marks and numbers, set thereon pursuant to the provisions of the preceding section, shall have been defaced or obliterated, in presence of an officer of inspection; or who shall neglect or refuse to deliver the certificate issued to accompany the cask, chest, vessel or case, of which the marks and numbers shall have been defaced or obliterated in manner aforesaid, on being thereto required by an officer of inspection or of the customs, shall for every such offense be liable to a penalty of \$100, with costs of suit.】

\* \* \* \* \*

【SEC. 2934. All medicinal preparations, whether chemical or otherwise, usually imported with the name of the manufacturer, shall have the true name of the manufacturer and the place where they are prepared, permanently and legibly affixed to each parcel by stamp, label, or otherwise; and all medicinal preparations imported without such names so affixed shall be adjudged to be forfeited.】

\* \* \* \* \*

SEC. 3115. If the owner or master of such vessel furnishes good and sufficient evidence—

(1) That such vessel, while in the regular course of her voyage, was compelled, by stress of weather or other casualty, to put into such foreign port and purchase such equipments, or make such repairs, to secure the safety and seaworthiness of the vessel to enable her to reach her port of destination; or

(2) That such equipments or parts thereof or repair parts or materials, were manufactured or produced in the United States, and the labor necessary to install such equipments or to make such repairs was performed by residents of the United States, or by members of the regular crew of such vessel; or

(3) That such equipments, or parts thereof, or materials, or labor, were used as dunnage for cargo, or for the packing or shoring thereof, or in the erection of temporary bulkheads or other similar devices for the control of bulk cargo, or in the preparation (without permanent repair or alteration) of tanks for the carriage of liquid cargo;



then the Secretary of the Treasury is authorized to remit or refund such duties, and such vessel shall not be liable to forfeiture, and no license or enrollment and license, or renewal of either, shall hereafter be issued to any such vessel until the collector to whom application is made for the same shall be satisfied, from the oath of the owner or master, that all such equipments or parts thereof or materials and repairs made within the year immediately preceding such application have been duly accounted for under the provisions of this and the preceding sections, and the duties accruing thereon duly paid; and if such owner or master shall refuse to take such oath, or take it falsely, the vessel shall be seized and forfeited.

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ACT OF JUNE 8, 1896

(19 U. S. C., secs. 472-475)

[AN ACT

【To expedite the delivery of imported parcels and packages not exceeding five hundred dollars in value.

【*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That articles, not merchandise intended for sale, not exceeding five hundred dollars in value, imported in packages not exceeding one hundred pounds in weight, in vessels of the United States, may be specially delivered to and appraised at the public stores, and the entry thereof liquidated by the collector under such regulations as the Secretary of the Treasury may prescribe, and after such appraisement and liquidation may be delivered, upon payment of the liquidated duties under the bond provided for in this Act, to express companies or other duly incorporated inland carriers bonded for the transportation of appraised or unappraised merchandise between the several ports in the United States: *Provided*, That not more than one such consignment to one ultimate consignee from the same consignor shall be imported in any one vessel: *And provided*, That the original appraisement of and liquidation of duties on such importations shall be final against the owner, importer, agent, or consignee, except in the case of manifest clerical errors, as provided for in section 24 of the Act of June tenth, eighteen hundred and ninety: *Provided*, That nothing contained in this Act shall apply to explosives, or any article the importation of which is prohibited by law.

【SEC. 2. That such express companies or other inland carriers shall be responsible to the United States under bond for the safe delivery of such articles to the ultimate consignee: *Provided*, That if any package shall not be delivered to the ultimate consignee by the express company or other inland carrier, and shall be returned to the collector of the port where such articles are entered under the provisions of this Act within ninety days from the date of importation intact, the collector shall take charge of such package and dispose of it as unclaimed merchandise, and the duties, including additional duties, if any, under section seven of the Act of June tenth, eighteen hundred and ninety, paid shall be refunded by the Secretary of the Treasury out of any moneys in the Treasury not otherwise appropriated; and the express company or other inland carriers shall be relieved of any liability therefor under its bond; and before any express company or other inland carrier shall be permitted to receive and transport any such articles they shall become bound to the United States in such bonds, in such form and amount, and with such conditions not inconsistent with law as the Secretary of the Treasury may require.

【SEC. 3. That articles transported under the provisions of this Act shall be corded and sealed in such manner as shall from time to time be prescribed by the Secretary of the Treasury; and the collector of the port of first arrival shall retain in his office a permanent record of such merchandise so forwarded.

【SEC. 4. That such packages may be consigned to and entered by the agents of the express company or other inland carrier or steamship company, who shall at the time of entry state the ultimate consignee, and in all cases where a certified or other invoice is now required by law such invoice may be attached to or inclosed in the package, under such regulations as the Secretary of the Treasury may prescribe; and the delivery of such articles to the express company or other inland carrier shall not be delayed because of the nonarrival of the triplicate invoice, but the ultimate consignee shall be liable for any increased duty found due on reliquidation, if any, after receipt of said merchandise from the express company or other inland carrier or steamship company making entry under this Act; and the provisions of section twenty-eight hundred and fifty-seven, Revised Statutes, shall not apply to importations under this Act.】

## ACT OF JULY 12, 1932

[[PUBLIC RESOLUTION—No. 37—72D CONGRESS]

[[H. J. Res. 336]

## [JOINT RESOLUTION

[Construing section 503 (b) of the Tariff Act of 1930.

*[Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That it was and is the true intent and meaning of section 503 (b) of the Act entitled "An Act to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, to protect American labor, and for other purposes," approved June 17, 1930, and of the concluding provision of section 489 of the Act entitled "An Act to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes," approved September 21, 1922, that imported merchandise entered in accordance with the provisions of said section 503 (b) and the concluding provision of said section 489 shall be appraised and reappraised in the same manner as though the merchandise was not so entered; that the appraisement and reappraisement of such merchandise shall have the same force and effect as in the case of merchandise not so entered; and that entries covered by certification of the importer as provided in said section 503 (b) and the concluding provision of said section 489 shall be liquidated in accordance with the final appraised value of the merchandise covered by such certificates.]*







# H. R. 5877

[Report No. 632]

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## IN THE SENATE OF THE UNITED STATES

JULY 14 (legislative day, JULY 6), 1953

Read twice and referred to the Committee on Finance

JULY 24 (legislative day, JULY 6), 1953

Reported by Mr. MILLIKIN, with amendments

[Omit the part struck through and insert the part printed in italic]

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## AN ACT

To amend certain administrative provisions of the Tariff Act of 1930 and related laws, and for other purposes.

1      *Be it enacted by the Senate and House of Representa-*  
2      *tives of the United States of America in Congress assembled,*

3                      SHORT TITLE AND EFFECTIVE DATE

4              SECTION 1. This Act may be cited as the “Customs  
5      Simplification Act of 1953” and shall be effective, except as  
6      otherwise specially provided for, on and after the thirtieth  
7      day following the date of its enactment.

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- Sec. 2. Repeal of obsolete accounting provisions.
- Sec. 3. Effective dates of rates of duty.
- Sec. 4. Marking.
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- ~~Sec. 15. Value.~~
- ~~Sec. 16~~ 15. Signing and delivery of manifests.
- ~~Sec. 17~~ 16. Certified invoices and entry of merchandise.
- ~~Sec. 18~~ 17. Verification of documents.
- ~~Sec. 19~~ 18. Amendment of entries.
- ~~Sec. 20~~ 19. Commingled merchandise.
- ~~Sec. 21~~ 20. Correction of errors and mistakes.
- ~~Sec. 22. Conversion of currency.~~
- ~~Sec. 23~~ 21. Transfers of goods in bonded warehouse.
- ~~Sec. 24~~ 22. Customs supervision.
- ~~Sec. 25~~ 23. Saving clause.

## 1 REPEAL OF OBSOLETE ACCOUNTING PROVISIONS

2 SEC. 2. (a) The following sections of the Revised  
 3 Statutes (relating to obsolete functions of customs officers  
 4 and functions of such officers now provided for by other laws)  
 5 are hereby repealed:

6 Revised Statutes 2621, as amended (U. S. C., 1946  
 7 edition, title 19, sec. 33).

8 Revised Statutes 2622, as amended (U. S. C., 1946  
 9 edition, title 19, sec. 34).

10 Revised Statutes 2623, as amended (U. S. C., 1946  
 11 edition, title 19, sec. 35).

12 Revised Statutes 2626, as amended (U. S. C., 1946  
 13 edition, title 19, sec. 39).

14 Revised Statutes 2639, as amended (U. S. C., 1946  
 15 edition, title 19, sec. 42).

1 Revised Statutes 2640, as amended (U. S. C., 1946  
2 edition, title 19, sec. 43).

3 Revised Statutes 2641, as amended (U. S. C., 1946  
4 edition, title 19, sec. 44).

5 Revised Statutes 2643, as amended (U. S. C., 1946  
6 edition, title 19, sec. 45).

7 (b) Section 439 of the Tariff Act of 1930 (U. S. C.,  
8 1946 edition, title 19, sec. 1439) is amended by deleting  
9 “the comptroller of customs for the district in which the port  
10 of entry is located” and substituting therefor “such employee  
11 as the Secretary of the Treasury shall designate”, and by  
12 deleting “said comptroller of customs” and substituting there-  
13 for “such employee designated by the Secretary”.

14 (c) Section 440 of the Tariff Act of 1930 (U. S. C.,  
15 1946 edition, title 19, sec. 1440) is amended by deleting  
16 “the comptroller of customs for the district in which the  
17 port of entry is located” and substituting therefor “such  
18 employee as the Secretary of the Treasury shall designate”.

19 (d) Section 523 of the Tariff Act of 1930 (U. S. C.,  
20 1946 edition, title 19, sec. 1523) is amended to read as  
21 follows:

22 **“SEC. 523. EXAMINATION OF ACCOUNTS.**

23 “The Secretary of the Treasury or such officer or em-  
24 ployee as he shall designate, shall, under regulations and  
25 instructions prescribed by the Secretary—



1           “(1) examine the collectors’ accounts of receipts  
2           and disbursements of money and receipts and disposition  
3           of merchandise; and

4           “(2) verify, to such extent as the Secretary of  
5           the Treasury shall direct, assessments of duties and taxes  
6           and allowances of drawback.”

7           EFFECTIVE DATES OF RATES OF DUTY

8           SEC. 3. (a) Section 315 of the Tariff Act of 1930, as  
9           amended (U. S. C., 1946 edition, title 19, sec. 1315), is  
10          further amended to read as follows:

11       “SEC. 315. EFFECTIVE DATES OF RATES OF DUTY.

12       “(a) Except as otherwise specially provided for, the  
13       rate or rates of duty imposed by or pursuant to this Act or  
14       any other law on any article entered for consumption or  
15       withdrawn from warehouse for consumption shall be the  
16       rate or rates in effect when the documents comprising the  
17       entry for consumption or withdrawal from warehouse for  
18       consumption and any estimated or liquidated duties then  
19       required to be paid have been deposited with the appropriate  
20       customs officer in the form and manner prescribed by regula-  
21       tions of the Secretary of the Treasury, except that—

22       “(1) any article released under an informal mail  
23       entry shall be subject to duty at the rate or rates in  
24       effect when the preparation of the entry is completed;  
25       and

1           “(2) any article which is not subject to a quanti-  
2           tative or tariff-rate quota and which is covered by an  
3           entry for immediate transportation made at the port of  
4           original importation under section 552 of this Act, if  
5           entered for consumption at the port designated by the  
6           consignee, or his agent, in such transportation entry with-  
7           out having been taken into the custody of the collector  
8           under section 490 of this Act, shall be subject to the  
9           rate or rates in effect when the transportation entry was  
10          accepted at the port of original importation.

11          “(b) Any article which has been entered for consump-  
12          tion but which, before release from customs custody, is re-  
13          moved from the port or other place of intended release  
14          because of inaccessibility, overcarriage, strike, act of God,  
15          or unforeseen contingency, shall be subject to duty at the  
16          rate or rates in effect when the entry for consumption and  
17          any required duties were deposited in accordance with sub-  
18          section (a) of this section, but only if the article is returned  
19          to such port or place within ninety days after the date of re-  
20          moval and the identity of the article as that covered by the  
21          entry is established in accordance with regulations pre-  
22          scribed by the Secretary of the Treasury.

23          “(c) Insofar as duties are based upon the quantity of  
24          any merchandise, such duties shall, except as provided in  
25          paragraph 813 and section 562 of this Act (relating re-

1 spectively to certain beverages and to manipulating ware-  
2 houses), be levied and collected upon the quantity of such  
3 merchandise at the time of its importation.

4 “(d) No administrative ruling resulting in the im-  
5 position of a higher rate of duty or charge than the Secretary  
6 of the Treasury shall find to have been applicable to imported  
7 merchandise under an established and uniform practice shall  
8 be effective with respect to articles entered for consumption  
9 or withdrawn from warehouse for consumption prior to the  
10 expiration of thirty days after the date of publication in  
11 the weekly Treasury Decisions of notice of such ruling; but  
12 this provision shall not apply with respect to the imposition  
13 of antidumping duties.”

14 (b) Section 484 (f) of the Tariff Act of 1930, as  
15 amended (U. S. C., 1946 edition, title 19, sec. 1484 (f)),  
16 is further amended by changing the period at the end to a  
17 semicolon and adding “except that, in the case of articles  
18 not subject to a quantitative or tariff-rate quota, entry for  
19 the entire quantity covered by an entry for immediate trans-  
20 portation made under section 552 of this Act may be accepted  
21 at the port of entry designated by the consignee, or his agent,  
22 in such entry after the arrival of any part of such quantity at  
23 such designated port or at such other place of deposit as  
24 may be authorized in accordance with regulations prescribed  
25 by the Secretary of the Treasury.”



## MARKING

SEC. 4. (a) Paragraphs 28, 354, 355, 357, 358, 359, 360, 361, and 1553 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1001, pars. 28, 354, 355, 357, 358, 359, 360, 361, and 1553) are amended as follows:

Paragraph 28 is amended by deleting from subparagraph (f) "the immediate container and".

Paragraph 354 is amended by deleting the second proviso.

Paragraphs 355, 357, 358, 359, 360, and 361 are amended by deleting the provisos.

Paragraph 1553 is amended by deleting both provisos.

(b) The following sections of the Revised Statutes are repealed:

Revised Statutes 2934 (U. S. C., 1946 edition, title 19, sec. 134).

Revised Statutes 2885 (U. S. C., 1946 edition, title 19, sec. 273).

Revised Statutes 2886 (U. S. C., 1946 edition, title 19, sec. 274).

(c) Section 304 (a) (3) of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1304 (a) (3)), is further amended by deleting "or" at the end of subdivision (I); by changing the period at the end of sub-

1 division (J) to a semicolon and by adding "or"; and by  
 2 adding a new subdivision (K) as follows:

3           “(K) Such article cannot be marked after im-  
 4           portation except at an expense which is economically  
 5           prohibitive, and the failure to mark the article be-  
 6           fore importation was not due to any purpose of the  
 7           importer, producer, seller, or shipper to avoid com-  
 8           pliance with this section.”

9 ~~TRANSPORTATION OF LEAD-BEARING AND ZINC-BEARING~~  
 10 ~~ORES~~

11 *PROCEDURE FOR CUSTOMS EXAMINATION OF CERTAIN*  
 12 *COMMODITIES*

13       SEC. 5. (a) Paragraph 391 of the Tariff Act of 1930, as  
 14 amended (U. S. C., 1946 edition, title 19, sec. 1001, par.  
 15 391), is further amended by changing the colon at the end  
 16 of the first proviso to a period; and by amending the rest  
 17 of the paragraph to read as follows: “The Secretary of the  
 18 Treasury is authorized to make all necessary regulations to  
 19 enforce the provisions of this paragraph.”

20       (b) Paragraph 393 of the Tariff Act of 1930, as  
 21 amended (U. S. C., 1946 edition, title 19, sec. 1001, par.  
 22 393), is further amended by changing the colon at the end  
 23 of the first proviso to a period; and by amending the rest of  
 24 the paragraph to read as follows: “The Secretary of the

1 Treasury is authorized to make all necessary regulations to  
2 enforce the provisions of this paragraph.”

3 (c) Paragraph 783 of the Tariff Act of 1930, as  
4 amended (U. S. C., 1946 edition, title 19, sec. 1001, par.  
5 783), is amended by inserting “(a)” after “783.” and by  
6 adding thereto the following new subsection:

7 “(b) Under regulations prescribed by the Secretary of  
8 the Treasury, the staple length of cotton shall be determined  
9 for all customs purposes by application of the Official Cotton  
10 Standards of the United States for length of staple, as estab-  
11 lished by the Secretary of Agriculture and in effect when the  
12 determination is to be made.”

### 13 REPEAL OF CERTAIN OBSOLETE RECIPROCAL PROVISIONS

14 SEC. 6. (a) Paragraph 812 of the Tariff Act of 1930  
15 (U. S. C., 1946 edition, title 19, sec. 1001, par. 812) is  
16 amended by deleting the proviso (relating to the importation  
17 of spirits in certain containers).

18 (b) Section 320 of the Tariff Act of 1930 (U. S. C.,  
19 1946 edition, title 19, sec. 1320), relating to reciprocal  
20 agreements covering advertising matter, is repealed.

### 21 AMERICAN GOODS RETURNED

22 SEC. 7. ~~(a)~~ Paragraph 1615 (f) of the Tariff Act of  
23 1930, as amended (U. S. C., 1946 edition, title 19, sec.



1 1201, par. 1615 (f) ), is further amended by adding at the  
2 end thereof the following new sentences: "When because of  
3 the destruction of customs records or for other cause it is im-  
4 practicable to establish whether drawback was allowed, or  
5 to determine the amount of drawback allowed, on a reim-  
6 ported article excepted under subparagraph (e), there shall  
7 be assessed thereon an amount of duty equal to the estimated  
8 drawback and internal-revenue tax which would be allowable  
9 or refundable if the imported merchandise used in the manu-  
10 facture or production of the reimported article were dutiable  
11 or taxable at the rate applicable to such merchandise on the  
12 date of importation, but in no case more than the duty and  
13 tax that would apply if the article were originally imported.  
14 In order to facilitate the ascertainment and collection of the  
15 duty provided for in this subparagraph, the Secretary of the  
16 Treasury is authorized to ascertain and specify the amounts  
17 of duty equal to drawback or internal-revenue tax which  
18 shall be applied to articles or classes or kinds of articles, and  
19 to exempt from the assessment of duty articles or classes or  
20 kinds of articles excepted under subparagraph (e) with  
21 respect to which the collection of such duty involves expense  
22 and inconvenience to the Government which is dispropor-  
23 tionate to the probable amount of such duty."

24 ~~(b) (1) Paragraph 1615 (g) of the Tariff Act of 1930,~~

1 as amended (U. S. C., 1946 edition, title 19, sec. 1201, par.  
2 1615 (g)), is further amended to read as follows:

3 “(g) (1) Any article exported from the United States  
4 for repairs or alterations may be returned upon the payment  
5 of a duty upon the value of the repairs or alterations at the  
6 rate or rates which would apply to the article itself in its  
7 repaired or altered condition if not within the purview of  
8 this subparagraph (g).

9 “(2) If—

10 “(A) any article of metal (except precious metal)  
11 manufactured in the United States or subjected to a  
12 process of manufacture in the United States is exported  
13 for further processing; and

14 “(B) the exported article as processed outside the  
15 United States, or the article which results from the proc-  
16 essing outside the United States, as the case may be, is  
17 returned to the United States for further processing;  
18 then such article may be returned upon the payment of a  
19 duty upon the value of such processing outside the United  
20 States at the rate or rates which would apply to such article  
21 itself if it were not within the purview of this subparagraph  
22 (g).

23 “(3) This subparagraph (g) shall not apply to any  
24 article exported—

1       ~~“(A) from bonded warehouse or from continuous~~  
 2       ~~customs custody elsewhere than bonded warehouse with~~  
 3       ~~remission, abatement, or refund of duty;~~

4       ~~“(B) with benefit of drawback through substitu-~~  
 5       ~~tion or otherwise; or~~

6       ~~“(C) for the purpose of complying with any law~~  
 7       ~~of the United States or regulation of any Federal agency~~  
 8       ~~requiring exportation.~~

9       ~~“(4) For the purposes of this subparagraph (g), the~~  
 10       ~~value of repairs, alterations, or processing outside the United~~  
 11       ~~States shall be considered to be—~~

12       ~~“(A) the cost to importer of such repairs,~~  
 13       ~~alterations, or processing; or~~

14       ~~“(B) if no charge is made the value of such re-~~  
 15       ~~pairs, alterations, or processing;~~

16       ~~as set out in the invoice and entry papers; except that, if~~  
 17       ~~the Secretary of the Treasury concludes that the amount~~  
 18       ~~so set out does not represent a reasonable cost or fair value,~~  
 19       ~~as the case may be, then the value of the repairs, alter-~~  
 20       ~~ations, or processing shall be determined in accordance~~  
 21       ~~with section 402 of this Act. No appraisement of the~~  
 22       ~~imported article in its repaired, altered, or processed con-~~  
 23       ~~dition shall be required unless necessary to a determination~~  
 24       ~~of the rate or rates of duty applicable to such article.”~~

25       ~~(2) The amendment made by paragraph (1) of this~~



1 subsection shall be effective as to articles entered, or with-  
2 drawn from warehouse, for consumption on or after the  
3 day following the date of the enactment of this Act and  
4 shall apply also to any such articles entered or withdrawn  
5 before that day with respect to which no assessment of  
6 duty has become final by reason of section 514 of the  
7 Tariff Act of 1930.

8 FREE ENTRY PROVISIONS FOR TRAVELERS

9 SEC. 8. Paragraph 1798 of the Tariff Act of 1930, as  
10 amended (U. S. C., 1946 edition, title 19, sec. 1201, par.  
11 1798), is further amended to read as follows:

12 "PAR. 1798. (a) Professional books, implements, in-  
13 struments, and tools of trade, occupation, or employment,  
14 when imported by or for the account of any person arriving  
15 in the United States by whom or for whose account they  
16 were taken abroad.

17 "(b) In the case of any person arriving in the United  
18 States who is not a returning resident thereof—

19 "(1) wearing apparel, articles of personal adorn-  
20 ment, toilet articles, and similar personal effects; all the  
21 foregoing, if actually owned by and in the possession of  
22 such person abroad at the time of or prior to his de-  
23 parture for the United States, and if appropriate for his  
24 own personal use and intended only for such use and  
25 not for any other person nor for sale;

1           “(2) automobiles, trailers, aircraft, motorcycles,  
2       bicycles, baby carriages, boats, horse-drawn convey-  
3       ances, horses, and similar means of transportation, and  
4       the usual equipment accompanying the foregoing; any  
5       of the foregoing imported in connection with the ar-  
6       rival of such person and to be used in the United States  
7       only for the transportation of such person, his family  
8       and guests, and such incidental carriage of articles as  
9       may be appropriate to his personal use of the convey-  
10      ance; and

11           “(3) not exceeding \$200 in value of articles ac-  
12      companying such a person who is in transit to a place  
13      outside United States customs territory and who will  
14      take the articles with him to such place.

15           “(c) In the case of any person arriving in the United  
16      States who is a returning resident thereof—

17           “(1) all personal and household effects taken abroad  
18      by him or for his account and brought back by him or  
19      for his account; and

20           “(2) articles (including not more than one wine  
21      gallon of alcoholic beverages and not more than one  
22      hundred cigars) acquired abroad as an incident of the  
23      journey from which he is returning, for his personal  
24      or household use, but not imported for the account of  
25      any other person nor intended for sale, if declared in

1 accordance with regulations of the Secretary of the  
2 Treasury, up to but not exceeding in aggregate value—

3 “(A) \$200, if such person arrives from a con-  
4 tiguous country which maintains a free zone or free  
5 port (see subparagraph (d) ), or arrives from any  
6 other country after having remained beyond the  
7 territorial limits of the United States for a period  
8 of not less than forty-eight hours, and in either case  
9 has not claimed an exemption under this subdivision  
10 (A) within the thirty days immediately preceding  
11 his arrival; and

12 “(B) \$300 in addition, if such person has re-  
13 mained beyond the territorial limits of the United  
14 States for a period of not less than twelve days and  
15 has not claimed an exemption under this subdivision  
16 (B) within the six months immediately preceding  
17 his arrival.

18 “(d) In the case of persons arriving from a contiguous  
19 country which maintains a free zone or free port, if the  
20 Secretary of the Treasury deems it necessary in the public  
21 interest and to facilitate enforcement of the requirement that  
22 the exemption shall apply only to articles acquired as an  
23 incident of the foreign journey, he shall prescribe by  
24 regulation or instruction, the application of which may be  
25 restricted to one or more ports of entry, that the exemption



1 authorized by subdivision (2) (A) of subparagraph (c)  
2 shall be allowed only to residents who have remained be-  
3 yond the territorial limits of the United States for not less  
4 than a specified period, not to exceed twenty-four hours,  
5 and after the expiration of ninety days after the date of such  
6 regulation or instruction allowance of the said exemption  
7 shall be subject to the limitations so prescribed.

8 “(e) Any article imported to replace a like article of  
9 comparable value previously exempted from duty under sub-  
10 division (c) of this paragraph shall be allowed free entry  
11 if the article previously exempted shall have been exported,  
12 under such supervision as the Secretary may prescribe, within  
13 sixty days after its importation because it was found by the  
14 importer to be unsatisfactory.

15 “(f) All articles exempted by this paragraph from the  
16 payment of duty shall be exempt also from the payment of  
17 any internal-revenue tax imposed upon or by reason of  
18 importation.

19 “(g) If any jewelry or similar articles of personal  
20 adornment having a value of \$300 or more which have been  
21 exempted from duty under subdivision (1) of subparagraph  
22 (b) or any article which has been exempted from duty  
23 under subdivision (2) (B) of subparagraph (c) is sold  
24 within three years after the date of importation, or if any  
25 article which has been exempted from duty under subdivision

(2) of subparagraph (b) is sold within one year after the date of importation, without prior payment to the United States of the duty which would have been payable at the time of entry if the article had been entered without the benefit of this paragraph, such article, or its value (to be recovered from the importer), shall be subject to forfeiture.

A sale pursuant to a judicial order or in liquidation of the estate of a decedent shall not be subject to the provisions of this subparagraph.

“(h) The Secretary of the Treasury shall prescribe methods and regulations for carrying out the provisions of this paragraph. No exemption provided for in this paragraph shall be applied to any article which is not declared in accordance with such regulations.”

#### FREE ENTRY FOR NONCOMMERCIAL EXHIBITIONS

SEC. 9. (a) Paragraph 1809 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1201, par. 1809), is amended by inserting “within five years after the date of entry hereunder” after “used contrary to this provision”; by inserting “within such five-year period” after “at any time”; and by deleting “and the preceding”.

(b) The conditions of any bond in force on the effective date of this Act in respect of articles previously entered under the provisions of paragraph 1809 or the corresponding

1 provisions of any Tariff Act prior to the Tariff Act of 1930  
2 shall be deemed to have been satisfied upon the effective date  
3 of this Act or upon the expiration of five years from the date  
4 such articles were entered, whichever is later, except with  
5 respect to any violation which has occurred or which shall  
6 have occurred before such time.

7 TEMPORARY FREE ENTRY FOR SAMPLES AND OTHER

8 ARTICLES UNDER BOND

9 SEC. 10. (a) (1) The part of section 308 of the Tariff  
10 Act of 1930, as amended (U. S. C., 1946 edition, title 19,  
11 sec. 1308), following the heading and preceding the num-  
12 bered items is amended to read as follows:

13 “The following articles, when not imported for sale  
14 or for sale on approval, may be admitted into the United  
15 States under such rules and regulations as the Secretary of  
16 the Treasury may prescribe, without the payment of duty,  
17 under bond for their exportation within one year from the date  
18 of importation, which period, in the discretion of the Secre-  
19 tary of the Treasury, may be extended, upon application, for  
20 one or more further periods which, when added to the initial  
21 one year, shall not exceed a total of three years:”.

22 (2) The amendment made by paragraph (1) shall be  
23 effective with respect to articles imported before or after  
24 this section is enacted.

25 (b) Section 308 (3) of the Tariff Act of 1930



1 (U. S. C., 1946 edition, title 19, sec. 1308 (3) ) is amended  
2 by inserting immediately after the word "Samples" the fol-  
3 lowing: "(but not including photoengraved printing plates  
4 imported to be reproduced)".

5 (c) Section 308 (4) of the Tariff Act of 1930  
6 (U. S. C., 1946 edition, title 19, sec. 1308 (4) ) is amended  
7 to read as follows:

8 " (4) Articles intended solely for testing, experi-  
9 mental, or review purposes, including plans, specifica-  
10 tions, drawings, blueprints, photographs, and similar  
11 articles for use in connection with experiments or for  
12 study, and upon satisfactory proof that any such article  
13 has been destroyed because of its use for any such pur-  
14 pose the obligation under such bond to export such  
15 articles shall be treated as satisfied;"

16 (d) Section 308 (5) of the Tariff Act of 1930, as  
17 amended (U. S. C., 1946 edition, title 19, sec. 1308 (5) ),  
18 is further amended to read as follows:

19 " (5) Automobiles, motorcycles, bicycles, airplanes,  
20 airships, balloons, boats, racing shells, and similar vehi-  
21 cles and craft, and the usual equipment of the foregoing;  
22 all the foregoing which are brought temporarily into the  
23 United States by nonresidents for the purpose of taking  
24 part in races or other specific contests;"

25 (e) Section 308 (7) of the Tariff Act of 1930

1 (U. S. C., 1946 edition, title 19, sec. 1308 (7) ), is amended  
2 to read as follows:

3 “(7) Containers for compressed gases, filled or  
4 empty, and containers or other articles in use for cover-  
5 ing or holding merchandise (including personal or house-  
6 hold effects) during transportation and suitable for reuse  
7 for that purpose;” .

8 (f) Section 308 of the Tariff Act of 1930, as amended  
9 (U. S. C., 1946 edition, title 19, sec. 1308), is further  
10 amended by changing the period at the end thereof to a semi-  
11 colon and adding the following new subdivisions:

12 “(10) Animals and poultry brought into the United  
13 States for the purpose of breeding, exhibition, or com-  
14 petition for prizes, and the usual equipment therefor;

15 “(11) Theatrical scenery, properties, and apparel  
16 brought into the United States by proprietors or man-  
17 agers of theatrical exhibitions arriving from abroad for  
18 temporary use by them in such exhibitions; and

19 “(12) Works of art, drawings, engravings, photo-  
20 graphic pictures, and philosophical and scientific ap-  
21 paratus brought into the United States by professional  
22 artists, lecturers, or scientists arriving from abroad for  
23 use by them for exhibition and in illustration, promo-  
24 tion, and encouragement of art, science, or industry in  
25 the United States.”

1 (g) Paragraph 1607 of the Tariff Act of 1930 (U. S. C.,  
2 1946 edition, title 19, sec. 1201, par. 1607), is amended  
3 to read as follows:

4 “PAR. 1607. (a) Teams of animals, including their  
5 harness and tackle, and the wagons or other vehicles actually  
6 owned by persons emigrating from foreign countries to the  
7 United States with their families, and in actual use for the  
8 purpose of such emigration, under such regulations as the  
9 Secretary of the Treasury may prescribe.

10 “(b) Wild animals and birds intended for exhibition  
11 in zoological collections for scientific or educational purposes,  
12 and not for sale or profit.”

13 (h) Paragraph 1747 of the Tariff Act of 1930 (U. S. C.  
14 1946 edition, title 19, sec. 1201, par. 1747), is amended  
15 by changing the second semicolon to a period and deleting  
16 the remainder of the paragraph.

17 (i) Paragraph 1808 of the Tariff Act of 1930 (U. S. C.,  
18 1946 edition, title 19, sec. 1201, par. 1808), is repealed.

19 **SUPPLIES AND EQUIPMENT FOR VESSELS AND AIRCRAFT**

20 SEC. 11. (a) Subsections (a) and (b) of section 309 of  
21 the Tariff Act of 1930, as amended (U. S. C., 1946 edition,  
22 title 19, sec. 1309 (a) and (b)), relating to articles for  
23 certain vessels and aircraft, are further amended to read as  
24 follows:

25 “(a) **EXEMPTION FROM DUTIES AND TAXES.**—Articles



1 of foreign or domestic origin may be withdrawn, under such  
2 regulations as the Secretary of the Treasury may prescribe,  
3 from any customs bonded warehouse, from continuous cus-  
4 toms custody elsewhere than in a bonded warehouse, or  
5 from a foreign-trade zone free of duty and internal-revenue  
6 tax, or from any internal-revenue bonded warehouse, from  
7 any brewery, or from any winery premises or bonded  
8 premises for the storage of wine, free of internal-revenue  
9 tax—

10 “ (1) for supplies (not including equipment) of  
11 (A) vessels or aircraft operated by the United  
12 States, (B) vessels of the United States employed in  
13 the fisheries or in the whaling business, or actually  
14 engaged in foreign trade or trade between the Atlantic  
15 and Pacific ports of the United States or between the  
16 United States and any of its possessions, or (C) aircraft  
17 registered in the United States and actually engaged in  
18 foreign trade or trade between the United States and  
19 any of its possessions; or

20 “ (2) for supplies (including equipment) or repair  
21 of (A) vessels of war of any foreign nation, or (B)  
22 foreign vessels employed in the fisheries or in the whal-  
23 ing business, or actually engaged in foreign trade or  
24 trade between the United States and any of its posses-

1        sions, where such trade by foreign vessels is permitted;

2        or

3            “(3) for supplies (including equipment), ground  
4        equipment, maintenance, or repair of aircraft registered  
5        in any foreign country and actually engaged in foreign  
6        trade or trade between the United States and any of its  
7        possessions, where trade by foreign aircraft is permitted.

8        With respect to articles for ground equipment, the ex-  
9        emption hereunder shall apply only to duties and to taxes  
10       imposed upon or by reason of importation.

11       “(b) DRAWBAC.—Articles withdrawn from bonded  
12       warehouses, bonded manufacturing warehouses, continuous  
13       customs custody elsewhere than in a bonded warehouse, or  
14       from a foreign-trade zone, and articles of domestic manufac-  
15       ture or production, laden as supplies upon any such vessel  
16       or aircraft of the United States or laden as supplies (includ-  
17       ing equipment) upon, or used in the maintenance or repair  
18       of, any such foreign vessel or aircraft, shall be considered to  
19       be exported within the meaning of the drawback provisions  
20       of this Act.”

21       (b) Section 317 (b) of the Tariff Act of 1930, as  
22       amended (U. S. C., 1946 edition, title 19, sec. 1317 (b) ),  
23       is amended to read as follows:

24       “(b) The shipment or delivery of any merchandise for

1 use as supplies (including equipment) upon, or in the main-  
2 tenance or repair of any vessel or aircraft described in sub-  
3 division (2) or (3) of section 309 (a) of this Act, or for  
4 use as ground equipment for any such aircraft, shall be  
5 deemed an exportation within the meaning of the customs  
6 and internal-revenue laws applicable to the exportation of  
7 such merchandise without the payment of duty or internal-  
8 revenue tax. With respect to merchandise for use as ground  
9 equipment, such shipment or delivery shall not be deemed  
10 an exportation within the meaning of the internal-revenue  
11 laws relating to taxes other than those imposed upon or by  
12 reason of importation.”

13 (c) Section 3115 of the Revised Statutes, as amended  
14 (U. S. C., 1946 edition, title 19, sec. 258), is further  
15 amended by—

16 (1) striking out the comma at the end of para-  
17 graph (2) and inserting in lieu thereof “; or” and  
18 inserting after paragraph (2) the following new  
19 paragraph:

20 “(3) ~~that~~ *That* such equipments, or parts thereof, or  
21 materials, or labor, were used as dunnage for cargo,  
22 or for the packing or shoring thereof, or in the erection  
23 of *temporary* bulkheads or other similar devices for the  
24 control of bulk cargo, or in the preparation (*without*



*permanent repair or alteration*) of tanks for the carriage of liquid cargo;” and

(2) striking out “such equipments” the last place it appears in such section and inserting in lieu thereof “such equipments or parts thereof or materials”.

#### DRAWBACK

SEC. 12. (a) Section 313 (b) of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1313 (b) ), is further amended by deleting “one year” and substituting therefor “three years”.

(b) Section 313 (c) of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1313 (c) ), is amended by inserting “or shipped without the consent of the consignee” after “sample or specifications”; by deleting “thirty days” and substituting therefor “ninety days”; and by inserting “unless the Secretary authorizes in writing a longer time,” following “after release from customs custody,”.

(c) Section 313 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1313), is further amended by revising subsections (h) and (i) thereof to read as follows:

“(h) TIME LIMITATION OF EXPORTATION.—No drawback shall be allowed under the provisions of this section

1 unless the completed article is exported within five years  
2 after importation of the imported merchandise.

3 “(i) **REGULATIONS.**—Allowance of the privileges pro-  
4 vided for in this section shall be subject to compliance with  
5 such rules and regulations as the Secretary of the Treasury  
6 shall prescribe, which may include, but need not be limited  
7 to, the fixing of a time limit within which drawback entries  
8 or entries for refund under any of the provisions of this  
9 section or section 309 (b) of this Act shall be filed and  
10 completed, and the designation of the person to whom any  
11 refund or payment of drawback shall be made.”

12 **ADMINISTRATIVE ~~EXEMPTION~~ EXEMPTIONS**

13 **SEC. 13.** Section 321 of the Tariff Act of 1930, as  
14 amended (U. S. C., 1946 edition, title 19, sec. 1321), is  
15 amended to read as follows:

16 **“SEC. 321. ADMINISTRATIVE EXEMPTIONS.**

17 “(a) The Secretary of the Treasury, in order to avoid  
18 expense and inconvenience to the Government dispropor-  
19 tionate to the amount of revenue that would otherwise be  
20 collected, is hereby authorized, under such regulations as  
21 he shall prescribe, to—

22 “(1) disregard a difference of less than \$3 between  
23 the total estimated duties or taxes deposited, or the total  
24 duties or taxes tentatively assessed, with respect to any

1 entry of merchandise and the total amount of duties or  
2 taxes actually accruing thereon; and

3 “(2) admit articles free of duty and of any tax  
4 imposed on or by reason of importation, but the aggre-  
5 gate value of articles imported by one person on one day  
6 and exempted from the payment of duty shall not  
7 exceed—

8 “(A) \$10 in the case of articles sent as bona  
9 fide gifts from persons in foreign countries to per-  
10 sons in the United States, or

11 “(B) \$10 in the case of articles accompanying,  
12 and for the personal or household use of, persons  
13 arriving in the United States who are not entitled  
14 to any exemption from duty or tax under paragraph  
15 1798 (c) (2) of this Act, or

16 “(C) \$1 in any other case.

17 The privilege of this subdivision (2) shall not be granted  
18 in any case in which merchandise covered by a single  
19 order or contract is forwarded in separate lots to secure  
20 the benefit of this subdivision (2).

21 “(b) The Secretary of the Treasury is authorized by  
22 regulations to diminish any dollar amount specified in sub-  
23 section (a) and to prescribe exceptions to any exemption  
24 provided for in such subsection whenever he finds that such



1 action is consistent with the purpose of such subsection or is  
2 necessary for any reason to protect the revenue or to prevent  
3 unlawful importations.”

4 **INTERNATIONAL TRAFFIC AND RESCUE WORK**

5 **SEC. 14.** The Tariff Act of 1930, as amended, is further  
6 amended by adding immediately following section 321  
7 (U. S. C., 1946 edition, title 19, sec. 1321) a new section  
8 reading as follows:

9 **“SEC. 322. INTERNATIONAL TRAFFIC AND RESCUE WORK.**

10 “(a) Vehicles and other instruments of international  
11 traffic, of any class specified by the Secretary of the Treasury,  
12 shall be granted the customary exceptions from the applica-  
13 tion of the customs laws to such extent and subject to such  
14 terms and conditions as may be prescribed in regulations or  
15 instructions of the Secretary of the Treasury.

16 “(b) The Secretary of the Treasury may provide by  
17 regulation or instruction for the admission, without entry and  
18 without the payment of any duty or tax imposed upon or  
19 by reason of importation, of—

20 “(1) aircraft, equipment, supplies, and spare parts  
21 for use in searches, rescues, investigations, repairs, and  
22 salvage in connection with accidental damage to aircraft;

23 “(2) fire-fighting and rescue and relief equipment  
24 and supplies for emergent temporary use in connection  
25 with conflagrations; and

“(3) rescue and relief equipment and supplies for emergent temporary use in connection with floods and other disasters.

Any articles admitted under the authority of this subsection and used otherwise than for a purpose herein expressed, or not exported in such time and manner as may be prescribed in the regulations or instructions herein authorized, shall be forfeited to the United States.”

#### VALUE

SEC. 15. (a) Section 402 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1402), is further amended to read as follows:

#### “SEC. 402. VALUE.

“(a) BASIS.—Except as otherwise specifically provided for, the value of imported merchandise for the purposes of this Act shall be—

“(1) the export value;

“(2) if the export value cannot be determined satisfactorily, then the United States value;

“(3) if neither the export value nor the United States value can be determined satisfactorily, then the comparative value; or

“(4) if neither the export value, the United States

1 value, nor the comparative value can be determined sat-  
 2 isfactorily, then the constructed value; but

3 “(5) in the case of an article with respect to which  
 4 there is in effect under section 336 a rate of duty based  
 5 upon the American selling price of a domestic article,  
 6 the value shall be the American selling price of such  
 7 domestic article.

8 “(b) EXPORT VALUE.—The export value of imported  
 9 merchandise shall be the market value or the price, at the  
 10 time of exportation to the United States of the merchandise  
 11 undergoing appraisement, at which such or similar mer-  
 12 chandise is freely sold or, in the absence of sales, offered for  
 13 sale in the principal markets of the country of exportation, in  
 14 the usual wholesale quantities and in the ordinary course of  
 15 trade, for exportation to the United States, plus, when not  
 16 included in such price, the cost of all containers and cover-  
 17 ings of whatever nature and all other expenses incidental to  
 18 placing the merchandise in condition, packed ready for  
 19 shipment to the United States.

20 “(c) UNITED STATES VALUE.—The United States  
 21 value of imported merchandise shall be the price, at the time  
 22 of exportation to the United States of the merchandise under-  
 23 going appraisement, at which such or similar imported  
 24 merchandise is freely sold or, in the absence of sales, offered  
 25 for sale in the principal market of the United States for



1 domestic consumption, packed ready for delivery, in the usual  
2 wholesale quantities and in the ordinary course of trade, with  
3 allowances made for—

4 “(1) any commission usually paid or agreed to be  
5 paid on merchandise secured otherwise than by purchase  
6 or agreement to purchase; or, on merchandise secured  
7 by purchase or agreement to purchase, the addition for  
8 profit and general expenses usually made by sellers in  
9 such market on imported merchandise of the same class  
10 or kind as the merchandise undergoing appraisement;

11 “(2) the usual costs of transportation and insur-  
12 ance and other usual expenses from the place of ship-  
13 ment to the place of delivery, not including any expense  
14 provided for in subdivision (1); and

15 “(3) the ordinary customs duties and other Federal  
16 taxes currently payable on such or similar merchan-  
17 dise by reason of its importation or Federal excise  
18 taxes on, or measured by the value of, such or similar  
19 merchandise, for which vendors at wholesale in the  
20 United States are ordinarily liable.

21 “If such or similar merchandise was not so sold or  
22 offered at the time of exportation of the merchandise under-  
23 going appraisement, the United States value shall be de-  
24 termined, subject to the foregoing specifications of this  
25 subsection, from the price at which such or similar mer-

1   chandise is so sold or offered at the earliest date after  
 2   such time of exportation but before the expiration of ninety  
 3   days after the importation of the merchandise undergoing  
 4   appraisement.

5       “(d) COMPARATIVE VALUE.—The comparative value  
 6   of imported merchandise shall be the equivalent of the export  
 7   value as nearly as such equivalent may be determined  
 8   by the appraiser on the basis of the export or United States  
 9   value of other merchandise exported from the same country at  
 10   the time the merchandise undergoing appraisement was ex-  
 11   ported which is comparable in construction and use with the  
 12   merchandise undergoing appraisement, with appropriate ad-  
 13   justments for differences in size, material, construction,  
 14   texture, or other differences.

15       “(e) CONSTRUCTED VALUE.—The constructed value of  
 16   imported merchandise shall be the sum of—

17       “(1) the cost of materials and of fabrication or other  
 18       processing of any kind employed in producing such or  
 19       similar merchandise, at a time preceding the date of  
 20       exportation of the merchandise undergoing appraisement  
 21       which would ordinarily permit the production of that  
 22       particular merchandise in the ordinary course of business;

23       “(2) an addition for general expenses and profit  
 24       equal to that which producers in the country of produc-  
 25       tion whose products are exported to the United States

usually add in sales for exportation to the United States, in the usual wholesale quantities and in the ordinary course of trade, of merchandise of the same general class or kind as the merchandise undergoing appraisement; and

“(3) the cost of all containers and coverings of whatever nature, and all other expenses incidental to placing the merchandise undergoing appraisement in condition, packed ready for shipment to the United States.

“(f) AMERICAN SELLING PRICE.—The American selling price of any article manufactured or produced in the United States shall be the price, including the cost of all containers and coverings of whatever nature and all other expenses incident to placing the merchandise in condition packed ready for delivery, at which such article is freely sold or, in the absence of sales, offered for sale for domestic consumption in the principal market of the United States, in the ordinary course of trade and in the usual wholesale quantities, or the price that the manufacturer, producer, or owner would have received or was willing to receive for such merchandise when sold for domestic consumption in the ordinary course of trade and in the usual wholesale quantities, at the time of exportation of the imported article.

“(g) TAXES.—The value of imported merchandise



14 determined in accordance with this section shall not  
15 include the amount of any internal tax, applicable within  
16 the country of origin or exportation, from which the mer-  
17 chandise undergoing appraisement has been exempted or has  
18 been or will be relieved by means of refund.

19       “(h) DEFINITIONS.—As used in this section, the fol-  
20 lowing terms shall have the meanings respectively indicated:

21       “~~(1)~~ ‘Freely sold or, in the absence of sales, offered  
22 for sale’—sold or, in the absence of sales, offered to  
23 all purchasers at wholesale, or to one or more selected  
24 purchasers at wholesale at a price not less than that  
25 at which it would be sold to all purchasers at whole-  
1 sale, without restrictions as to the disposition or use of  
2 the merchandise by the purchaser, except restrictions as  
3 to such disposition or use which ~~(A)~~ are imposed or  
4 required by law, or ~~(B)~~ limit the price at which or the  
5 territory in which the merchandise may be resold, or  
6 ~~(C)~~ do not substantially affect the value of the mer-  
7 chandise to usual purchasers at wholesale.

8       “~~(2)~~ ‘Ordinary course of trade’—the conditions and  
9 practices which, for a reasonable time prior to the ex-  
10 portation of the merchandise undergoing appraisement,  
11 have been normal in the trade under consideration with  
12 respect to merchandise of the same class or kind as the  
13 merchandise undergoing appraisement.

“(3) ‘Purchasers at wholesale’—purchasers who buy in the usual wholesale quantities for industrial use or for resale otherwise than at retail; or, if there are no such purchasers, then all other purchasers for resale who buy in the usual wholesale quantities; or, if there are no purchasers in either of the foregoing categories, then all other purchasers who buy in the usual wholesale quantities.

“(4) ‘Such or similar merchandise’—the merchandise undergoing appraisement shall be considered ‘such’ merchandise; and other merchandise shall be considered ‘such’ merchandise if—

“(A) it is identical in physical characteristics and was produced in the same country by the same person; or

—“(B) when no value meeting the requirements of the definition of value under consideration can be determined under (A), the merchandise is identical in physical characteristics and was produced by another person in the same country.

Merchandise shall be considered ‘similar’ to the merchandise undergoing appraisement if it is not within the foregoing definition of ‘such’ merchandise but—

“(C) it was produced in the same country as the merchandise undergoing appraisement, by the

1 same person, of like materials, is used for the same  
 2 purpose, and is of approximately equal commercial  
 3 value; or

4 “(D) when no value meeting the requirements  
 5 of the definition of value under consideration can be  
 6 determined under (C), the merchandise is cor-  
 7 respondingly similar and was produced by another  
 8 person in the same country.

9 “(5) ‘Usual wholesale quantities’—the quantities  
 10 usually sold in the class of transactions in which the  
 11 greater aggregate quantity of the ‘such or similar mer-  
 12 chandise’, in respect of which value is being determined,  
 13 is sold in the market under consideration.”

14 (b) Paragraph 27 (c) of the Tariff Act of 1930  
 15 (U. S. C., 1946 edition, title 19, sec. 1001, par. 27 (c)),  
 16 is amended by changing “subdivision (g)” to “subdivision  
 17 (f)” and by changing “subdivision (c)” to “subdivision  
 18 (e)”.

19 (c) Paragraph 28 (c) of the Tariff Act of 1930  
 20 (U. S. C., 1946 edition, title 19, sec. 1001, par. 28 (c)),  
 21 is amended by changing “subdivision (g)” to “subdivision  
 22 (f)” and by changing “subdivision (c)” to “subdivision  
 23 (e)”.

24 (d) Section 336 (b) of the Tariff Act of 1930



1 ~~(U. S. C., 1946 edition, title 19, sec. 1336 (b))~~, is amended  
2 by changing “section 402 (g)” to “section 402 (f)”.

3           SIGNING AND DELIVERY OF MANIFESTS

4       SEC. ~~46~~ 15. Section 431 of the Tariff Act of 1930  
5 (U. S. C., 1946 edition, title 19, sec. 1431), is amended  
6 by designating the matter now therein as subsection (a)  
7 and by adding a new subsection to read as follows:

8       “(b) Whenever a manifest of articles or persons on  
9 board an aircraft is required for customs purposes to be  
10 signed, or produced or delivered to a customs officer, the  
11 manifest may be signed, produced, or delivered by the pilot  
12 or person in charge of the aircraft, or by any other author-  
13 ized agent of the owner or operator of the aircraft, subject  
14 to such regulations as the Secretary of the Treasury may  
15 prescribe. If any irregularity of omission or commission  
16 occurs in any way in respect of any such manifest, the  
17 owner or operator of the aircraft shall be liable for any fine  
18 or penalty prescribed by law in respect of such irregularity.”

19       CERTIFIED INVOICES AND ENTRY OF MERCHANDISE

20       SEC. ~~47~~ 16. (a) Section 482 (a) of the Tariff Act of  
21 1930 (U. S. C., 1946 edition, title 19, sec. 1482 (a)), is  
22 amended by substituting “required pursuant to section 484  
23 (b) of this Act to be certified” for “covering merchandise  
24 exceeding \$100 in value” in the first clause.

14 (b) Section 484 (a) of the Tariff Act of 1930 (U. S. C.,  
15 1946 edition, title 19, sec. 1484 (a) ), is amended by  
16 deleting “forty-eight hours” and substituting therefor “five  
17 days”.

18 (c) Section 484 (b) of the Tariff Act of 1930 (U. S. C.,  
19 1946 edition, title 19, sec. 1484 (b) ), is amended to read  
20 as follows:

21 “(b) PRODUCTION OF CERTIFIED INVOICE.—The  
22 Secretary of the Treasury shall provide by regula-  
23 tion for the production of a certified invoice with  
24 respect to such merchandise as he deems advisable and for  
25 the terms and conditions under which such merchandise may  
1 be permitted entry under the provisions of this section  
2 without the production of a certified invoice.”

3 (d) Section 498 (a) (1) of the Tariff Act of 1930  
4 (U. S. C., 1946 edition, title 19, sec. 1498 (a) (1) ) is  
5 amended to read as follows:

6 “(1) Merchandise, imported in the mails or other-  
7 wise, when the aggregate value of the shipment does not  
8 exceed such amount, not greater than \$250, as the Sec-  
9 retary of the Treasury shall specify in the regulations,  
10 and the specified amount may vary for different classes  
11 or kinds of merchandise or different classes of trans-  
12 actions;”.

13 (e) Section 498 (a) of the Tariff Act of 1930

1 (U. S. C., 1946 edition, title 19, sec. 1498 (a)) is further  
 2 amended by deleting subdivision (11) and substituting there-  
 3 for a new subdivision to read as follows:

4 “(11) Merchandise within the provisions of para-  
 5 graph 1631 of this Act.”

6 (f) The Act of June 8, 1896 (U. S. C., 1946 edition,  
 7 title 19, secs. 472-475), is hereby repealed.

#### 8 VERIFICATION OF DOCUMENTS

9 SEC. ~~48~~ 17. Section 486 of the Tariff Act of 1930  
 10 (U. S. C., 1946 edition, title 19, sec. 1486), is amended  
 11 by changing the heading to read

12 “SEC. 486. ADMINISTRATION OF OATHS—VERIFICATION  
 13 OF DOCUMENTS.”

14 and by adding at the end thereof the following new sub-  
 15 section:

16 “(d) VERIFICATION IN LIEU OF OATH.—The Secre-  
 17 tary of the Treasury may by regulation prescribe that any  
 18 document required by any law administered by the Customs  
 19 Service to be under oath may be verified by a written dec-  
 20 laration in such form as he shall prescribe, such declaration  
 21 to be in lieu of the oath otherwise required.”

#### 22 AMENDMENT OF ENTRIES

23 SEC. ~~49~~ 18. (a) Section 487 of the Tariff Act of 1930  
 24 (U. S. C., 1946 edition, title 19, sec. 1487) is amended by  
 25 deleting therefrom “or at any time before the invoice or



1 the merchandise has come under the observation of the  
2 appraiser for the purpose of appraisement,”.

3 (b) Section 489 of the Tariff Act of 1930 (U. S. C.,  
4 1946 edition, title 19, sec. 1489) is amended by deleting the  
5 first two paragraphs.

6 (c) Section 501 of the Tariff Act of 1930, as amended  
7 (U. S. C., 1946 edition, title 19, sec. 1501), is further  
8 amended by changing the period at the end of the first sen-  
9 tence to a comma and by inserting thereafter “or (3) in  
10 any case, if the consignee, his agent, or his attorney requests  
11 such notice in writing before appraisement, setting forth a  
12 substantial reason for requesting the notice.”, by inserting  
13 in the second sentence after “appraiser” the clause “, in-  
14 cluding all determinations entering into the same,” and  
15 by deleting the third sentence of the section.

16 (d) Section 503 of the Tariff Act of 1930 (U. S. C.,  
17 1946 edition, title 19, sec. 1503), is amended by deleting  
18 subsection (b), by redesignating subsection (c) as sub-  
19 section (b), and by amending subsection (a) to read as  
20 follows:

21 “(a) GENERAL RULE.—Except as provided in section  
22 562 of this Act (relating to withdrawal from manipulating  
23 warehouses), the basis for the assessment of duties on im-  
24 ported merchandise subject to ad valorem rates of duty shall  
25 be the final appraised value.”

1 (e) The Act of July 12, 1932 (ch. 473, 47 Stat. 657;  
2 U. S. C., 1946 edition, title 19, sec. 1503a) , is repealed.

3 (f) Section 562 of the Tariff Act of 1930, as amended  
4 (U. S. C., 1946 edition, title 19, sec. 1562), is further  
5 amended by changing the third sentence to read as follows:  
6 "The basis for the assessment of duties on such merchandise  
7 so withdrawn for consumption shall be the adjusted final  
8 appraised value, and if the rate of duty is based upon or  
9 regulated in any manner by the value of the merchandise,  
10 such rate shall be based upon or regulated by such adjusted  
11 final appraised value."

12 COMMINGLED MERCHANDISE

13 SEC. 20 19. Section 508 of the Tariff Act of 1930  
14 (U. S. C., 1946 edition, title 19, sec. 1508) is amended to  
15 read as follows:

16 "SEC. 508. COMMINGLING OF GOODS.

17 "(a) Whenever dutiable merchandise and merchandise  
18 which is free of duty or merchandise subject to different rates  
19 of duty are so packed together or mingled that the quantity  
20 or value of each class of such merchandise cannot be readily  
21 ascertained by the customs officers (without physical segre-  
22 gation of the shipment or the contents of any entire package  
23 thereof), by one or more of the following means: (1)  
24 Examination of a representative sample, (2) occasional  
25 verification of packing lists or other documents filed at the

1 time of entry, or (3) evidence showing performance of  
2 commercial settlement tests generally accepted in the trade  
3 and filed in such time and manner as may be prescribed by  
4 regulations of the Secretary of the Treasury, and if the  
5 consignee or his agent shall not segregate the merchandise  
6 pursuant to subsection (b), then the whole of such mer-  
7 chandise shall be subject to the highest rate of duty applicable  
8 to any part thereof.

9       “(b) Every segregation of merchandise made pursuant  
10 to this section shall be accomplished by the consignee or his  
11 agent at the risk and expense of the consignee within thirty  
12 days after the date of personal delivery or mailing, by such  
13 employee as the Secretary of the Treasury shall designate,  
14 of written notice to the consignee that the merchandise  
15 is commingled, unless the Secretary authorizes in writing  
16 a longer time. Every such segregation shall be accomplished  
17 under customs supervision, and the compensation and ex-  
18 penses of the supervising customs officers shall be reimbursed  
19 to the Government by the consignee under such regulations  
20 as the Secretary of the Treasury may prescribe.

21       “(c) The foregoing provisions of this section shall not  
22 apply with respect to any part of a shipment if the consignee  
23 or his agent shall furnish, in such time and manner  
24 as may be prescribed by regulations of the Secretary  
25 of the Treasury, satisfactory proof (1) that such part (A)



1 is commercially negligible, (B) is not capable of segrega-  
2 tion without excessive cost, and (C) will not be segregated  
3 prior to its use in a manufacturing process or otherwise, and  
4 (2) that the commingling was not intended to avoid the  
5 payment of lawful duties or any part thereof. Any mer-  
6 chandise with respect to which such proof is furnished shall  
7 be considered for all customs purposes as a part of the mer-  
8 chandise, subject to the next lower rate of duty (including  
9 a free rate), with which it is commingled.

10 “(d) The foregoing provisions of this section shall not  
11 apply with respect to any shipment if the consignee or his  
12 agent shall furnish, in such time and manner as may be pre-  
13 scribed by regulations of the Secretary of the Treasury, satis-  
14 factory proof (1) that the value of the commingled merchan-  
15 dise is less than the aggregate value would be if the shipment  
16 were segregated; (2) that the shipment is not capable of seg-  
17 regation without excessive cost and will not be segregated  
18 prior to its use in a manufacturing process or otherwise; and  
19 (3) that the commingling was not intended to avoid the  
20 payment of lawful duties or any part thereof. Any merchan-  
21 dise with respect to which such proof is furnished shall be  
22 considered for all customs purposes to be dutiable at the  
23 rate (including a free rate) applicable to the material  
24 present in greater quantity than any other material.”

## CORRECTION OF ERRORS AND MISTAKES

SEC. ~~24~~ 20. Subdivisions (1) and (2) of section 520 (c) of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1520 (c)), are further amended to read as follows:

“(1) a clerical error, mistake of fact, or other inadvertence not amounting to an error in the construction of a law, adverse to the importer and manifest from the record or established by documentary evidence, in any entry, liquidation, appraisement, or other customs transaction, when the error, mistake, or inadvertence is brought to the attention of the customs service within one year after the date of entry, appraisement, or transaction, or within sixty days after liquidation or exaction when the liquidation or exaction is made more than ten months after the date of the entry, appraisement, or transaction; or

“(2) any assessment of duty on household or personal effects in respect of which an application for refund has been filed, with such employee as the Secretary of the Treasury shall designate, within one year after the date of entry.”

~~CONVERSION OF CURRENCY~~

SEC. ~~22~~ (a) Section 25 of the Act of August 27, 1894, as amended and reenacted (U. S. C., 1946 edition, title 31,

1 see. 372 (a)), is repealed, and section 522 of the Tariff  
2 Act of 1930 (U. S. C., 1946 edition, title 31, sec. 372) is  
3 amended to read as follows:

4 **"SEC. 522. CONVERSION OF CURRENCY.**

5       “(a) The Secretary of the Treasury shall keep current  
6 a published list, expressed in United States dollars, of the  
7 par values which he finds are maintained by foreign coun-  
8 tries for their respective currencies. For the purposes of all  
9 provisions of the customs laws, whenever it is necessary  
10 to convert into an amount expressed in currency of the  
11 United States any amount expressed in a foreign currency  
12 for which such a par value was maintained for the date as  
13 of which the value or cost requiring conversion is to be  
14 determined, such conversion, except as specified in subsection  
15 (d), shall be made at such par value.

16       “(b) If no such par value was so maintained for such  
17 date, the conversion shall be made at the buying rate for  
18 the foreign currency in the New York market at noon on  
19 the date as of which the value or cost requiring conversion  
20 is to be determined, or, if banks are generally closed on such  
21 date in New York City, then the buying rate at noon on  
22 the last preceding business day. For the purposes of this  
23 subsection, such buying rate shall be the buying rate for cable  
24 transfers payable in the foreign currency in which the amount  
25 to be converted is expressed, and shall be determined by the



1 Federal Reserve Bank of New York and certified to the  
2 Secretary of the Treasury, who shall make it public at such  
3 times and to such extent as he shall deem necessary. In  
4 ascertaining such buying rate, such Federal Reserve bank  
5 may in its discretion ~~(1)~~ take into consideration the last  
6 ascertainable transactions and quotations, whether direct or  
7 through exchange of other currencies, and ~~(2)~~ if there is  
8 no market buying rate for such cable transfers, calculate such  
9 rate from actual transactions and quotations in demand or  
10 time bills of exchange or from the last ascertainable trans-  
11 actions and quotations outside the United States in or for  
12 exchange payable in United States currency or other  
13 currency.

14       “(c) If, pursuant to subsection ~~(b)~~, the Federal Re-  
15 serve Bank of New York certifies more than one rate of  
16 exchange for a particular foreign currency for any date the  
17 conversion for customs purposes of amounts expressed in that  
18 currency for that date shall be made by applying the appli-  
19 cable rate or rates so certified which reflect effectively the  
20 value of that foreign currency in commercial transactions.

21       “(d) When there are one or more rates of exchange  
22 which vary by more than 5 per centum from the par value  
23 for any foreign currency listed pursuant to subsection ~~(a)~~,  
24 the list shall so indicate. In that event such additional rates  
25 of exchange may be certified in the manner set forth in

1 subsection (b) and the par value and any certified rates  
2 shall be applied in the manner prescribed in subsection (c).”

3 (b) Section 481 (a) of the Tariff Act of 1930 (U. S. C.,  
4 1946 edition, title 19, sec. 1481 (a)) is amended by  
5 deleting subparagraph (7) and by renumbering subpara-  
6 graphs (8), (9), and (10) as (7), (8), and (9).

7 (c) Section 481 (b) of the Tariff Act of 1930 (U. S. C.  
8 1946 edition, title 19, sec. 1481 (b)) is amended by delet-  
9 ing “, stating whether gold, silver, or paper”.

#### 10 TRANSFERS OF GOODS IN BONDED WAREHOUSE

11 SEC. 23 21. (a) Section 557 (b) of the Tariff Act of  
12 1930, as amended (U. S. C., 1946 edition, title 19, sec.  
13 1557 (b) ), is further amended to read as follows:

14 “(b) The right to withdraw any merchandise entered  
15 in accordance with subsection (a) of this section for the  
16 purposes specified in such subsection may be transferred  
17 upon compliance with regulations prescribed by the Secre-  
18 tary of the Treasury and upon the filing by the transferee  
19 of a bond in such amount and containing such conditions as  
20 the Secretary of the Treasury shall prescribe. The bond  
21 shall include an obligation to pay, with respect to the mer-  
22 chandise the subject of the transfer, all unpaid regular,  
23 increased, and additional duties, all unpaid taxes imposed  
24 upon or by reason of importation, and all unpaid charges  
25 and exactions. Such transfers shall be irrevocable, shall

1 relieve the transferor from all customs liability with respect  
2 to obligations assumed by the transferee under the bond  
3 herein provided for, and shall confer upon the transferee  
4 all rights to the privileges provided for in this section and  
5 in sections 562 and 563 of this Act which were vested in the  
6 transferor prior to the transfer. The transferee shall also  
7 have the right to receive all lawful refunds of moneys paid  
8 by him to the United States with respect to the merchandise  
9 the subject of the transfer, but shall have no right to file  
10 any protest under section 514 of this Act except as to deci-  
11 sions with respect to his rights under subsection (c) of this  
12 section or under section 562 or 563 of this Act or against  
13 a decision as to the rate or amount of duty, tax, charge,  
14 or exaction when such rate or amount has been changed by  
15 statute or proclamation on or after the date of the transfer.  
16 The transferee shall have no right to file an appeal for re-  
17 appraisal under section 501 of this Act, except when  
18 subsequent to the transfer and before a withdrawal for con-  
19 sumption has been deposited for the merchandise, it has been  
20 changed in condition pursuant to the provisions of section  
21 562 or 311 of this Act in a manner which necessitates that  
22 it be appraised in its changed condition in order that the  
23 correct amount of duties may be assessed. No new or sepa-  
24 rate liquidation, reliquidation, or determination shall be made  
25 in the name of, or on behalf of, a transferee, except with



1 regard to any matter which may arise under subsection (c)  
2 of this section or section 562 or 563 of this Act when the  
3 transferee has invoked either of these sections, and in the  
4 case of a statutory or proclaimed change in the rate of duty,  
5 tax, charge, or exaction applicable to the merchandise the  
6 subject of the transfer and effective on or after the date of  
7 the transfer. A transferee may further transfer the right  
8 to withdraw merchandise, subject to the provisions of this  
9 subsection relating to original transfers.”

10 (b) Notwithstanding any other provision of this Act.  
11 the foregoing subsection (a) shall be effective with respect  
12 to merchandise entered after the date of the enactment of  
13 this Act and to merchandise which has been entered before  
14 that date and is the subject of a transfer within the purview  
15 of section 557 (b) of the Tariff Act, as amended by this  
16 Act, and made after the date of the enactment of this Act.

#### 17 CUSTOMS SUPERVISION

18 SEC. 24 22. The Tariff Act of 1930, as amended, is  
19 further amended by adding following section 645 (U. S. C.,  
20 1946 edition, title 19, sec. 1645) a new section 646, reading  
21 as follows:

22 “SEC. 646. CUSTOMS SUPERVISION.

23 “Wherever in this Act any action or thing is required  
24 to be done or maintained under the supervision of customs  
25 officers, such supervision may be direct and continuous or by

1 occasional verification as may be required by regulations of  
2 the Secretary of the Treasury, or, in the absence of such  
3 regulations for a particular case, as the principal customs  
4 officer concerned shall direct."

5

## SAVING CLAUSE

6 SEC. ~~25~~ 23. Except as may be otherwise provided for in  
7 this Act, the repeal of existing law or modifications thereof  
8 embraced in this Act shall not affect any act done, or any  
9 right accruing or accrued, or any suit or proceeding had or  
10 commenced in any civil or criminal case prior to such  
11 repeal or modification, but all liabilities under such laws  
12 shall continue, except as otherwise specifically provided in  
13 this Act, and may be enforced in the same manner as if  
14 such repeal or modification had not been made.

Passed the House of Representatives July 13, 1953.

Attest:

LYLE O. SNADER,

*Clerk.*





83<sup>d</sup> CONGRESS  
1<sup>ST</sup> SESSION

**H. R. 5877**

[Report No. 632]

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# AN ACT

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To amend certain administrative provisions of the Tariff Act of 1930 and related laws, and for other purposes.

JULY 14 (legislative day, JULY 6), 1953

Read twice and referred to the Committee on Finance

JULY 24 (legislative day, JULY 6), 1953

Reported with amendments







# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued July 28, 1953  
For actions of July 27, 1953  
83rd-1st, No. 141\*

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HIGHLIGHTS: Senate passed famine-relief and customs-simplification bills. Senate committee reported foreign-aid, drought-relief, and supplemental appropriation bills. Senate ratified sugar-agreement continuation. Both Houses received President's recommendation for Korea aid. Both Houses agreed to conference report on Interior appropriation bill. House passed orchard-loans bill. House committees reported bills on famine relief, public-for-private timber-land exchange, and banking loans on forest tracts. President signed agricultural appropriation bill. House received conference reports on 1st-independent-offices and Labor-HEW appropriation bills.

## SENATE

1. FOREIGN AID. Both Houses received the President's message recommending appropriation of \$200 million for rehabilitation and economic support of Korea (H. Doc. 215); to Appropriations Committees (pp. 10144-5, 10238).  
The Appropriations Committee reported with amendments H. R. 6391, the foreign-aid appropriation bill (S. Rept. 645)(p. 10231). Sens. Bridges and McCarthy submitted amendments which they intend to propose to this bill (pp. 10242-3, 10247-9).  
Sen. Wiley spoke in favor of continuation of the International Children's Emergency Fund (pp. 10247-9).
2. DROUGHT-RELIEF APPROPRIATIONS. The Appropriations Committee reported with amendment H. J. Res. 305, the drought-relief appropriation bill (S. Rept. 646)(p. 10241).
3. SUPPLEMENTAL APPROPRIATION BILL, 1954. The Appropriations Committee reported with amendments this bill, H. R. 6200 (S. Rept. 677)(p. 10241). Sen. Bridges submitted amendments which he intends to offer to the bill (p. 10323).
4. CUSTOMS SIMPLIFICATION. Passed with amendments H. R. 5877, the customs-simplification bill (pp. 10268-79).
5. INTERIOR APPROPRIATION BILL, 1954. Both Houses agreed to the conference report



on this bill, H. R. 4828, and acted on amendments which had been reported in disagreement (pp. 10308-23, 10162-72). This bill will now be sent to the President.

6. Famine Relief. Passed as reported S. 2249, to enable the President, during the period ending Mar. 15, 1954, to furnish to peoples friendly to the U. S. emergency assistance in meeting famine or other urgent relief requirements (pp. 10279-301). Under the modified bill, the aid would be limited to 100,000,000.
7. CONTRACTS. The Finance Committee reported with amendments H. R. 6287, to extend and amend the Renegotiation Act of 1951 (S. Rept. 643)(p. 10231).
8. PERSONNEL. The Post Office and Civil Service Committee reported with amendments S. 2451, to amend the Veterans' Preference Act of 1944 with respect to preference to disabled veterans for Federal employment (S. Rept. 679)(p. 10323).
9. FEDERAL REGISTER. Passed without amendment H. R. 1806, to provide statutory authority for publication by the Administrative Committee on the Federal Register from time to time as deemed necessary (p. 10264). This bill will now be sent to the President.
10. STATISTICS. Passed without amendment S. 2348, to repeal the authority for collection and publication of red-cedar shingles by the Census Bureau (p. 10266).
11. REORGANIZATION. The Vice President appointed Sen. Ferguson, Sen. McClellan, S. C. Hollister, and Robert G. Storey to the Commission on Organization of the Executive Branch of the Government (p. 10231).
12. SAFETY. Senate conferees were appointed on S. 1105, to incorporate the National Safety Council (pp. 10301-2).
13. SUGAR. Ratified Executive L, prolonging the international agreement regarding production and marketing of sugar (pp. 10302-8).
14. REPORT. Both Houses received from the President a report of the National Advisory Council on International Monetary and Financial Problems (H. Doc. 214) (pp. 10238, 10144).
15. FARM PROGRAM. Sen. Langer inserted various local statements on the present status of the farm program, etc. (pp. 10239, 10246-7).
16. POULTRY. Sen. Bridges inserted resolutions from the N. H. Poultry Growers Assn. (pp. 10240-1).
17. WATER CONSERVATION. Sen. Johnson, Tex., spoke in favor of developing Texas water resources (pp. 10245).

#### HOUSE

18. Famine Relief. The Agriculture Committee reported with amendment H. R. 6016, to make CCC commodities available to the President to meet famine or other urgent relief needs in friendly foreign countries (H. Rept. 983)(p. 10228).
19. FORESTRY LOANS. The Banking and Currency Committee reported with amendment H. R. 5603, to authorize national banking associations to make loans on forest tracts (H. Rept. 969)(p. 10228).
20. FOREIGN TRADE. The Interstate and Foreign Commerce Committee reported without



the transfer of these lands in the way that would be effected by the bill.

Mr. HUNT. I thank the Senator. I am hopeful that the Interior Department will carry out the advice given to the committee.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 4483) to provide compensation to the Shoshone and Arapahoe Tribes of Indians for certain lands of the River-ton reclamation project within added portion of the Wind River Indian Reservation, and for other purposes, which had been reported from the Committee on Interior and Insular Affairs with amendments, on page 2, line 3, after "(65 Stat. 208)", to insert "and by the act of July 17, 1953 (Public Law 132, 83d Congress)"; on page 59, line 14, after the word "That", to strike out "such payment shall not be" and insert "the average price of all such lands disposed of by sale shall be not"; on page 60, line 10, after the word "of", to strike out "June" and insert "July"; in the same line, after "53 Stat.", to strike out "1130" and insert "1128"; in line 23, after "(65 Stat. 208)", to insert "and by the act of July 17, 1951 (Public Law 132, 83d Cong.)", and on page 61, line 8, after "section 1", to insert "Notwithstanding any other provision of law the remaining 10 percent of such gross receipts shall be deposited in the Treasury of the United States to the credit of miscellaneous receipts."

The amendments were agreed to.

Mr. HENDRICKSON. Mr. President, I ask unanimous consent that this bill go over to the next call of the calendar for the purpose of further study.

Mr. BARRETT. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. BARRETT. I think the Senator is too late.

The PRESIDING OFFICER. The Chair is advised that objection may be made at any time during the consideration of a bill. Therefore, the bill will be passed over.

Mr. HUNT. Mr. President, I did not catch the statement of the Senator from New Jersey.

Mr. HENDRICKSON. My request was that the bill go over to the next call of the calendar. The request came from the Senator from Oregon [Mr. MORSE].

The PRESIDING OFFICER. The bill will be passed over.

#### BILL PASSED OVER

The bill (H. R. 6391) making appropriations for Mutual Security for the fiscal year ending June 30, 1954, and for other purposes, was announced as next in order.

Mr. SMATHERS. Over.

The PRESIDING OFFICER. The bill will be passed over.

The call of the calendar is completed. The measures which went to the foot of the calendar will now be considered.

The clerk will call the first bill that went to the foot of the calendar.

#### INSTALLATION OF CERTAIN RAILROAD COMMUNICATION SYSTEMS

The bill (S. 539) to authorize the Interstate Commerce Commission to make mandatory the installation of certain railroad communication systems, was announced as next in order.

Mr. HENDRICKSON. Mr. President, I should like to ask for an explanation of this bill. I wonder if any Senator is here to explain it at this time. I see the Senator from Colorado [Mr. JOHNSON] on the floor.

Mr. JOHNSON of Colorado. Mr. President, section 25 of the Interstate Commerce Act, which S. 539 proposes to amend, now authorizes the Commission to order any rail carrier to install certain safety devices, systems, and methods. These include the block-signal system, automatic train stop, train-control and/or cab-signal devices, and/or other similar appliances, devices, methods, and systems. It does not, however, give the Commission any authority with respect to the use of radio and electronic safety devices, such as telegraph, telephone, radio, inductive, or other wayside and/or train-communication systems.

This regulatory void is filled by adding the phrase "radio and other electronic devices," to those other devices and systems, listed above, at the proper place in section 25.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 539) to authorize the Interstate Commerce Commission to make mandatory the installation of certain railroad communication systems, which had been reported from the Committee on Interstate and Foreign Commerce with an amendment, to strike out all after the enacting clause and insert:

That (a) subsection (b) of section 25 of the Interstate Commerce Act (49 U. S. C., sec. 26 (b)) is amended as follows:

(1) In the first sentence of subsection (b), following the phrase, "intended to promote the safety of railroad operation", add the following: "(Including radio and other electronic devices)."

(2) In the first proviso of subsection (b), following the words, "train control", insert the following: "radio and other electronic devices."

(3) At the end of subsection (b), delete the period and insert in place thereof a colon and the following language: "And provided further, That any order of the Interstate Commerce Commission directing any carrier to take action that requires the obtaining of a radio wave band or frequency, station permit, or license under the Communications Act of 1934, as amended, shall be issued subject to the granting by the Federal Communications Commission of the required authorization. The carrier to which such order of the Interstate Commerce Commission applies shall, within such time as may be specified therein, make application to the Federal Communications Commission for such authorization. If and when such authorization is granted the carrier shall comply with the order of the Interstate Commerce Commission, subject, however, to such conditions as may be imposed by the Federal Communications Commission and to the provisions of the Communications Act of 1934, as amended, and the rules and regulations prescribed thereunder, including the

right of the Federal Communications Commission to modify, suspend, revoke, or refuse to renew the license or other authorization so granted when the public interest, convenience, or necessity so requires."

(b) Subsection (d) of section 25 of the Interstate Commerce Act (49 U. S. C., sec. 26 (d)) is amended by adding at the end thereof the following: "Nothing in this section shall affect the powers of the Federal Communications Commission to make any inspection or examination of equipment utilizing radio frequencies or radio frequency energy in accordance with the provisions of the Communications Act of 1934, as amended, or the rules and regulations of the Federal Communications Commission."

Mr. BUTLER of Nebraska. Mr. President, I have one question which I should like to ask the Senator from Colorado. I am not a member of the committee and am not at all informed as to the details of the bill, but a bill which authorizes the Commission to make mandatory certain provisions is a pretty strong bill. I was wondering if it would be possible to favor the manufacturer of some certain device over other manufacturers who manufacture similar devices?

Mr. JOHNSON of Colorado. I am sure the Interstate Commerce Commission would never stoop to that sort of thing. I have too much confidence in the Commission to believe that.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### AMENDMENT OF NORTHERN PACIFIC HALIBUT ACT OF 1937

The bill (S. 2434) to amend the Northern Pacific Halibut Act of 1937 was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That section 2 of the Northern Pacific Halibut Act of 1937 (50 Stat. 325, 16 U. S. C. 772) is amended as follows:

Subsection (a) is amended by deleting the words "29th day of January 1937" and substituting in lieu thereof "2d day of March 1953 and any other treaty or convention which modifies or replaces that Convention" and by deleting the words "of the International Fisheries Commission."

Subsection (b) is amended by deleting the words "International Fisheries Commission provided for by article III of the Convention"; and substituting in lieu thereof "Commission provided for in the Convention."

This act shall take effect on the date of entry into force of the Convention between the United States of America and Canada for the Preservation of the Halibut Fishery of the Northern Pacific Ocean and Bering Sea, signed at Ottawa, March 2, 1953.

#### BILL PASSED OVER

The bill (S. 2038) to amend the act approved July 8, 1937, authorizing cash relief for certain employees of the Canal Zone Government, was announced as next in order.

Mr. CARLSON. Mr. President, I ask that that bill go over and be placed on the next calendar call. I understand



that the Senator from Kentucky, at the request of the Senator from New Jersey has asked that it be passed over.

The PRESIDING OFFICER. The bill will be passed over.

#### LIQUIDATION OF PUERTO RICO RECONSTRUCTION ADMINISTRATION

The Senate proceeded to consider the joint resolution (S. J. Res. 98), authorizing and directing the Secretary of the Interior to liquidate the Puerto Rico Reconstruction Administration, which had been reported from the Committee on Interior and Insular Affairs with amendments, on page 3, line 1, after the word "That", to strike out "(1)"; at the beginning of line 7, to strike out "(2)" and insert "SEC. 2."; at the beginning of line 13, strike out "(3)" and insert "SEC. 3."; on page 4, line 6, after the word "properties", to insert "and the next opportunity to veterans"; after line 10, to insert:

SEC. 4. (a) Effective upon the date of enactment of this joint resolution, all restrictions, not otherwise required by any law of the United States or the Commonwealth of Puerto Rico, imposed by and contained in any deed of conveyance executed prior to that date by the Puerto Rico Reconstruction Administration and as to which all liens enumerated therein have been satisfied or may be satisfied during the period of liquidation prescribed by this joint resolution, shall be null and void and of no effect immediately or upon the satisfaction of said liens, as the case may be, and thereafter the owner of property described in any such deed may use, transfer, mortgage, lease, sell, or otherwise encumber or dispose of said property without regard to such restrictions.

(b) The Puerto Rico Reconstruction Administration shall not impose, in any deed of conveyance executed by it during the period of liquidation prescribed by this joint resolution, any restrictions except such restrictions as may be required by the laws of the United States or the Commonwealth of Puerto Rico.

On page 5, at the beginning of line 5, to strike out "(4)" and insert "SEC. 5."; in line 11, after the word "and", to strike out "so forth" and insert "other similar obligations"; at the beginning of line 14, to strike out "(5)" and insert "SEC. 6."; and in line 18, at the beginning of the line, to strike out "(6)" and insert "SEC. 7."; so as to make the joint resolution read:

*Resolved, etc.,* That the Secretary of the Interior, through such officers, agents, or employees as he may designate, is hereby authorized and directed to liquidate the agency known as the Puerto Rico Reconstruction Administration established by Executive Order No. 7057 of May 28, 1935, in accordance with the terms of this joint resolution.

SEC. 2. Disposition of all property of the Puerto Rico Reconstruction Administration, pursuant to the terms of this joint resolution, shall be completed within 18 months from the date of enactment of this joint resolution, and all functions and activities of the Administration shall cease by that date.

SEC. 3. The authority contained herein to liquidate the Puerto Rico Reconstruction Administration shall include authority to sell, transfer, or otherwise dispose of, upon such terms and at such discounts as the Secretary of the Interior may deem advantageous to the United States, all property, real, and personal, or mixed, and any interest

in or control over such property, owned by the Puerto Rico Reconstruction Administration, or owned by the United States and under the administrative jurisdiction of the Puerto Rico Reconstruction Administration. Such sale, transfer, or other disposition may be made without regard to the provisions of the Federal Property and Administrative Services Act of 1949, as amended. Disposition of the properties may be made to private individuals, or associations of individuals: *Provided*, That the Secretary of the Interior shall in all instances offer first opportunity to persons living in, on, or in the vicinity of the said properties, and the next opportunity to veterans, to acquire them on terms not incompatible with the interests of the United States: *And provided further*, That loans to cooperatives may be transferred for collection to any agency of the United States.

SEC. 4. (a) Effective upon the date of enactment of this joint resolution, all restrictions, not otherwise required by any law of the United States or the Commonwealth of Puerto Rico, imposed by and contained in any deed of conveyance executed prior to that date by the Puerto Rico Reconstruction Administration and as to which all liens enumerated therein have been satisfied or may be satisfied during the period of liquidation prescribed by this joint resolution shall be null and void and of no effect immediately or upon the satisfaction of said liens, as the case may be, and thereafter the owner of property described in any such deed may use, transfer, mortgage, lease, sell, or otherwise encumber or dispose of said property without regard to such restrictions.

(b) The Puerto Rico Reconstruction Administration shall not impose, in any deed of conveyance executed by it during the period of liquidation prescribed by this joint resolution, any restrictions except such restrictions as may be required by the laws of the United States or the Commonwealth of Puerto Rico.

SEC. 5. There shall be deposited in the Treasury of the United States, as miscellaneous receipts, (a) any and all proceeds from the sale, transfer, or other disposition of the properties and interests aforesaid, (b) the balance remaining in the so-called revolving fund established by the act of February 11, 1936 (49 Stat. 1135), after costs of liquidation, salaries of employees, and other similar obligations, are paid, and (c) all sums realized from the liquidation of accounts receivable.

SEC. 6. The Secretary of the Interior is authorized and empowered to do all necessary acts and things in addition to those specifically authorized in this joint resolution to enable him to accomplish the purposes thereof.

SEC. 7. The Secretary of the Interior shall, upon completion of the liquidation as directed by this joint resolution, submit a report thereon to the Congress of the United States, reciting the disposition made of properties and moneys.

The amendments were agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The PRESIDING OFFICER. That completes the call of the calendar.

Mr. BUTLER of Nebraska. Mr. President, in connection with the passage of Calendar No. 640, Senate Joint Resolution 98, I wish to give assurance to the distinguished Senator from Tennessee on the record that the Senator from New Mexico [Mr. ANDERSON], when he was Secretary of Agriculture, was very much interested in PRRA, and, as a member of the committee, he is more familiar than

is anyone else with the provisions of this joint resolution, and he is very much in favor of it. I want to assure the Senate that if any occasion arises on which the Senator from New Mexico changes his mind I shall be the first one to call for reconsideration.

Mr. HENDRICKSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the call for a quorum be rescinded, and that further proceedings under the call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### AMENDMENT OF CERTAIN ADMINISTRATIVE PROVISIONS OF THE TARIFF ACT OF 1930

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. As I understand, the unfinished business of the Senate is Calendar 634, H. R. 5877, the so-called customs simplification bill.

The PRESIDING OFFICER. The Senator is correct.

The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H. R. 5877) to amend certain administrative provisions of the Tariff Act of 1930 and related laws, and for other purposes.

Mr. MILLIKIN. Mr. President, Public Law 147 of the 80th Congress, the appropriation bill for the Department of the Treasury, provided \$100,000 for a careful study of the administration of the customs procedure. The study was to be made by a private, nonpolitical group, with an eye to modernizing our whole customs mechanism, which was becoming outmoded by progress in transportation and substantial increases in foreign trade volume.

The study was made, and a voluminous report was filed during the 81st Congress, and, with the cooperation of the Treasury Department, a bill was prepared which, in part, carried out recommendations of the firm of business management experts.

The bill introduced in the 81st Congress contained a variety of provisions, including some which went beyond procedures and improvements, and which met with opposition.

H. R. 5877, as presented to the Senate today, by confining itself to procedure, omits wider ranging, more controversial subjects.

The bill which is now before the Senate does not change the import classification of any items which might be imported. It does not increase, decrease, or establish any rates of duty.

Acceptance of the bill will not alter the tariff status of any product, except in one minor instance, which will be noted later on.



In general, the bill will not directly promote increases in the volume of goods from foreign countries, although in some instances procedural improvements affecting the importing process may have that result.

The bill has as its primary purpose the saving of time, money, and complications in the administration of our customs laws.

For example, section 15 of the bill as reported by the Committee on Finance cuts much of the present red tape surrounding the temporary entry into the United States of search and rescue aircraft, and equipment and supplies for fighting fires. Present laws do not exempt such mercy equipment from duty or troublesome bonds, and the extra work for the customs service and the delay in entry of emergency equipment when speed is paramount may well be indefensible.

A still further example is found in section 18, pertaining to the amendment of entries. The present law requires formal amendment of entries in order to increase or decrease the entered value of particular shipments before appraisal if the importer is to avoid undervaluation penalties, or is permitted to take advantage of lower values if such are available. There are thousands of such amendments of entries, and the result is a heavy burden of paper work on the part of the Customs Service. If House bill 5877 is passed, much of this unnecessary work can be avoided without detracting in any way from the ability of the Customs Service to protect the revenue.

These are but samples of what the 23 sections of the bill will accomplish. The legal and technical language of some of the sections is intricate. The report on the bill contains section-by-section explanations.

Sections 15 and 22 of the bill as it came from the House have been deleted by the committee, and their study postponed until a later date.

Section 15 of the House bill would have made substantial changes in the methods of ascertaining the dutiable value of goods being imported into the United States. At the present time ad valorem duties must be paid on the "export value" or the "foreign value," whichever is higher. The "export value" is the value in foreign countries of the goods offered for sale and shipment to the United States, without regard to the current price in the producing country for home consumption. The "foreign value" is that applied to similar goods for sale in the exporting countries. The bill as it came from the House would have established the "export value" as the dutiable value of imported merchandise in all cases where that was ascertainable. Other methods were prescribed when export value was not available. The abandonment of the alternative methods now prescribed by law and the substitution of "export value" alone could result in lower dutiable values.

There were numerous requests for hearings. The Finance Committee felt it should not pass on the subject without hearings. Because of the late date the

bill passed the House and was referred to the Senate committee. The available time did not permit such hearings. For that reason action on this section was postponed.

Section 22 of the House bill was also deleted. This section would have established methods of ascertaining, for the application of customs duties, values of foreign currencies. Its adoption would have recognized by statute the use in foreign countries of multiple rates of exchange for various commodities exported to the United States. The controversial nature of the section indicated that extended hearings would be needed for proper study. As such hearings are not possible at this time, further consideration was postponed.

The committee also deleted paragraph (b) of section 7. This provision would have substantially altered the present law concerning the dutiable status of metal products which have been reimported after they have been exported and improved abroad by the addition of new materials and parts. This provision was not a part of the bill as reported by the Ways and Means Committee, but was an amendment introduced on the floor of the House. It was brought out in the discussion of the bill before the Finance Committee that this provision would not in any way simplify customs procedures. This view was concurred in by representatives of the Treasury Department and the Tariff Commission. The Tariff Commission, in a report to the Finance Committee, made the following observation with respect to this amendment:

It would appear from the foregoing that the proposed amendment is a measure designed essentially to provide tariff relief, and that the nature of the relief afforded is such that numerous export and import transactions would arise involving increased and difficult administration problems. Obviously, therefore, the amendment is not a measure designed to provide for simplification of existing customs procedures.

The Finance Committee has endeavored to avoid provisions in this bill which would encourage procedural complications, or which would lower or raise tariffs. It has excluded controversial matters calling for extended public hearings. For these reasons the committee did not feel that it could justify the inclusion of this paragraph.

An addition was made to section 5 of the bill which in no way affected the substance already in that section, but which provided for greater uniformity in the measurements, for customs purposes, of imported cotton. This amendment was not opposed by the Treasury, and it was indicated, insofar as present statutes permit, that the Treasury Department is adjusting its regulations and procedures to conform to the purposes to which this amendment is directed.

The amendment would, under regulations prescribed by the Secretary of the Treasury, determine, for all customs purposes, the staple length of cotton by application of the official cotton standards of the United States as established by the Secretary of Agriculture. The present varying standards have caused some confusion, which will be eliminated by the adoption of this section.

A minor amendment, mostly clarifying in nature, was also adopted concerning paragraph (c) of section 11. This paragraph would amend section 3115 of the Revised Statutes, to extend exemptions from duty to equipment and materials used as dunnage for cargo, or for the packing or shoring of bulk cargo in American-flag shipping vessels. The House provision did not put any time limit on the use of specific materials, although the intent seemed to be that permanent changes in ship structures should not be included.

The committee added language to this paragraph to establish more clearly that the exemption should apply only to temporary alterations. The committee has been informed that the House sponsors would accept this change.

With the changes noted, the Finance Committee favors passage of the bill. The President has asked for legislation to bring about improved customs procedures; and the 23 sections of House bill 5877 make a good start.

The Treasury Department is cooperating by making such changes in administration methods as can be made without legislation.

I hope the Senate will accept the bill as reported by the Finance Committee.

Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc, and that they be subject to further proceedings, as though the bill were an original text, or a clean bill.

**THE PRESIDING OFFICER.** Is there objection to the request of the Senator from Colorado?

Mr. FERGUSON. Mr. President, reserving the right to object, am I to understand that if the request of the Senator from Colorado is agreed to, the committee amendment striking out the language beginning at the bottom of page 10 and continuing through line 7 on page 13, would still be in dispute, and that a separate vote could be had on it?

Mr. MILLIKIN. The Senator could raise any question he desires and propose an amendment.

Mr. FERGUSON. If that committee amendment is omitted from the request of the Senator from Colorado, I shall have no objection. I think a vote should come on that amendment of the committee. I should like to raise the question directly on the amendment of the committee, rather than to have the committee amendment first agreed to and then reconsidered.

**THE PRESIDING OFFICER.** Is there objection to the unanimous consent request of the Senator from Colorado, except for the one committee amendment referred to? The Chair hears none, and, with that exception, the request of the Senator from Colorado is agreed to.

The committee amendments therefore, with the exception noted, are agreed to en bloc.

The committee amendments, with the exception of the amendment on page 10, line 24, agreed to en bloc, are as follows:

In the table of contents, on page 2, after "Sec. 14," to strike out "Sec. 15. Value.;" in the next line, to change the section num-



ber from "16" to "15"; in the next line, to change the section number from "17" to "16"; in the next line to change the section number from "18" to "17"; in the next line, to change the section number from "19" to "18"; in the next line, to change the section number from "20" to "19"; in the next line, to change the section number from "21" to "20"; in the next line to strike out "Sec. 22. Conversion of currency"; in the next line, to change the section number from "23" to "21"; in the next line, to change the section number from "24" to "22"; in the next line, to change the section number from "25" to "23"; on page 8, line 9, to strike out "Transportation of Lead-Bearing and Zinc-Bearing Ores" and insert "Procedure For Customs Examination of Certain Commodities"; on page 9, after line 2, to insert:

"(c) Paragraph 783 of the Tariff Act of 1930, as amended (U. S. C., 1946 ed., title 19, sec. 1001, par. 783), is amended by inserting '(a)' after '783' and by adding thereto the following new subsection:

"(b) Under regulations prescribed by the Secretary of the Treasury, the staple length of cotton shall be determined for all customs purposes by application of the Official Cotton Standards of the United States for length of staple, as established by the Secretary of Agriculture and in effect when the determination is to be made."

In line 22, after "Sec. 7." to strike out "(a)"; on page 24, line 20, after "(3)", to strike out "that" and insert "That"; in line 23, after the word "of", to insert "temporary"; in line 24, after the word "preparation" to insert "(without permanent repair or alteration)"; on page 26, line 12, after "Administrative", to strike out "Exemption"; and insert "Exemptions"; on page 29, after line 8, to strike out:

#### "VALUE"

"Sec. 15. (a) Section 402 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1402), is further amended to read as follows:

"Sec. 402. Value.

"(a) Basis: Except as otherwise specifically provided for, the value of imported merchandise for the purposes of this act shall be—

"(1) the export value;

"(2) if the export value cannot be determined satisfactorily, then the United States value;

"(3) if neither the export value nor the United States value can be determined satisfactorily, then the comparative value; or

"(4) if neither the export value, the United States value, nor the comparative value can be determined satisfactorily, then the constructed value; but

"(5) in the case of an article with respect to which there is in effect under section 336 a rate of duty based upon the American selling price of a domestic article, the value shall be the American selling price of such domestic article.

"(b) Export value: The export value of imported merchandise shall be the market value or the price, at the time of exportation to the United States of the merchandise undergoing appraisement, at which such or similar merchandise is freely sold or, in the absence of sales, offered for sale in the principal markets of the country of exportation, in the usual wholesale quantities and in the ordinary course of trade, for exportation to the United States, plus, when not included in such price, the cost of all containers and coverings of whatever nature and all other expenses incidental to placing the merchandise in condition, packed ready for shipment to the United States.

"(c) United States value: The United States value of imported merchandise shall be the price, at the time of exportation to

the United States of the merchandise undergoing appraisement, at which such or similar imported merchandise is freely sold or, in the absence of sales, offered for sale in the principal market of the United States for domestic consumption, packed ready for delivery, in the usual wholesale quantities and in the ordinary course of trade, with allowances made for—

"(1) any commission usually paid or agreed to be paid on merchandise secured otherwise than by purchase or agreement to purchase; or, on merchandise secured by purchase or agreement to purchase, the addition for profit and general expenses usually made by sellers in such market on imported merchandise of the same class or kind as the merchandise undergoing appraisement;

"(2) the usual costs of transportation and insurance and other usual expenses from the place of shipment to the place of delivery, not including any expense provided for in subdivision (1); and

"(3) the ordinary customs duties and other Federal taxes currently payable on such or similar merchandise by reason of its importation or Federal excise taxes on, or measured by the value of, such or similar merchandise, for which vendors at wholesale in the United States are ordinarily liable.

"If such or similar merchandise was not so sold or offered at the time of exportation of the merchandise undergoing appraisement, the United States value shall be determined, subject to the foregoing specifications of this subsection, from the price at which such or similar merchandise is so sold or offered at the earliest date after such time of exportation but before the expiration of 90 days after the importation of the merchandise undergoing appraisement.

"(d) Comparative value: The comparative value of imported merchandise shall be the equivalent of the export value as nearly as such equivalent may be determined by the appraiser on the basis of the export or United States value of other merchandise exported from the same country at the time the merchandise undergoing appraisement was exported which is comparable in construction and use with the merchandise undergoing appraisement, with appropriate adjustments for differences in size, material, construction, texture, or other differences.

"(e) Constructed value: The constructed value of imported merchandise shall be the sum of—

"(1) the cost of materials and of fabrication or other processing of any kind employed in producing such or similar merchandise, at a time preceding the date of exportation of the merchandise undergoing appraisement which would ordinarily permit the production of that particular merchandise in the ordinary course of business;

"(2) an addition for general expenses and profit equal to that which producers in the country of production whose products are exported to the United States usually add in sales for exportation to the United States, in the usual wholesale quantities and in the ordinary course of trade, of merchandise of the same general class or kind as the merchandise undergoing appraisement; and

"(3) the cost of all containers and coverings of whatever nature, and all other expenses incidental to placing the merchandise undergoing appraisement in condition, packed ready for shipment to the United States.

"(f) American selling price: The American selling price of any article manufactured or produced in the United States shall be the price, including the cost of all containers and coverings of whatever nature and all other expenses incidental to placing the merchandise in condition packed ready for delivery, at which such article is freely sold or, in the absence of sales, offered for sale for domestic consumption in the prin-

cipal market of the United States, in the ordinary course of trade and in the usual wholesale quantities, or the price that the manufacturer, producer, or owner would have received or was willing to receive for such merchandise when sold for domestic consumption in the ordinary course of trade and in the usual wholesale quantities, at the time of exportation of the imported article.

"(g) Taxes: The value of imported merchandise determined in accordance with this section shall not include the amount of any internal tax, applicable within the country of origin or exportation, from which the merchandise undergoing appraisement has been exempted or has been or will be relieved by means of refund.

"(h) Definitions: As used in this section, the following terms shall have the meanings respectively indicated:

"(1) 'Freely sold or, in the absence of sales, offered for sale'—sold or, in the absence of sales, offered to all purchasers at wholesale, or to one or more selected purchasers at wholesale at a price not less than that at which it would be sold to all purchasers at wholesale, without restrictions as to the disposition or use of the merchandise by the purchaser, except restrictions as to such disposition or use which (A) are imposed or required by law, or (B) limit the price at which or the territory in which the merchandise may be resold, or (C) do not substantially affect the value of the merchandise to usual purchasers at wholesale.

"(2) 'Ordinary course of trade'—the conditions and practices which, for a reasonable time prior to the exportation of the merchandise undergoing appraisement, have been normal in the trade under consideration with respect to merchandise of the same class or kind as the merchandise undergoing appraisement.

"(3) Purchasers at wholesale—purchasers who buy in the usual wholesale quantities for industrial use or for resale otherwise than at retail; or, if there are no such purchasers, then all other purchasers for resale who buy in the usual wholesale quantities; or, if there are no purchasers in either of the foregoing categories, then all other purchasers who buy in the usual wholesale quantities.

"(4) 'Such or similar merchandise'—the merchandise undergoing appraisement shall be considered 'such' merchandise; and other merchandise shall be considered 'such' merchandise if—

"(A) it is identical in physical characteristics and was produced in the same country by the same person; or

"(B) when no value meeting the requirements of the definition of value under consideration can be determined under (A), the merchandise is identical in physical characteristics and was produced by another person in the same country.

Merchandise shall be considered 'similar' to the merchandise undergoing appraisement if it is not within the foregoing definition of 'such' merchandise but—

"(C) it was produced in the same country as the merchandise undergoing appraisement, by the same person, of like materials, is used for the same purpose, and is of approximately equal commercial value; or

"(D) when no value meeting the requirements of the definition of value under consideration can be determined under (C), the merchandise is correspondingly similar and was produced by another person in the same country.

"(5) 'Usual wholesale quantities'—the quantities usually sold in the class of transactions in which the greater aggregate quantity of the 'such or similar merchandise,' in respect of which value is being determined, is sold in the market under consideration.'



"(b) Paragraph 27 (c) of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1001, par. 27 (c)), is amended by changing 'subdivision (g)' to 'subdivision (f)' and by changing 'subdivision (e)' to 'subdivision (c)'."

"(c) Paragraph 28 (c) of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1001, par. 28 (c)), is amended by changing 'subdivision (g)' to 'subdivision (f)' and by changing 'subdivision (e)' to 'subdivision (c)'."

"(d) Section 336 (b) of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1336 (b)), is amended by changing 'section 402 (g)' to 'section 402 (f)'."

On page 37, line 4, to change the section number from "16" to "15"; in line 20, to change the section number from "17" to "16"; on page 39, line 9, to change the section number from "18" to "17"; in line 23, to change the section number from "19" to "18"; on page 41, line 13, to change the section number from "20" to "19"; on page 44, line 2, to change the section number from "21" to "20"; after line 22, to strike out:

#### "CONVERSION OF CURRENCY

"SEC. 22. (a) Section 25 of the act of August 27, 1894, as amended and reenacted (U. S. C., 1946 ed., title 31, sec. 372 (a)), is repealed, and section 522 of the Tariff Act of 1930 (U. S. C., 1946 ed., title 31, sec. 372) is amended to read as follows:

"SEC. 522. Conversion of currency

"(a) The Secretary of the Treasury shall keep current a published list, expressed in United States dollars, of the par values which he finds are maintained by foreign countries for their respective currencies. For the purposes of all provisions of the customs laws, whenever it is necessary to convert into an amount expressed in currency of the United States any amount expressed in a foreign currency for which such a par value was maintained for the date as of which the value or cost requiring conversion is to be determined, such conversion, except as specified in subsection (d), shall be made at such par value.

"(b) If no such par value was so maintained for such date, the conversion shall be made at the buying rate for the foreign currency in the New York market at noon on the date as of which the value or cost requiring conversion is to be determined, or, if banks are generally closed on such date in New York City, then the buying rate at noon on the last preceding business day. For the purposes of this subsection, such buying rate shall be the buying rate for cable transfers payable in the foreign currency in which the amount to be converted is expressed, and shall be determined by the Federal Reserve Bank of New York and certified to the Secretary of the Treasury, who shall make it public at such times and to such extent as he shall deem necessary. In ascertaining such buying rate, such Federal Reserve bank may in its discretion (1) take into consideration the last ascertainable transactions and quotations, whether direct or through exchange of other currencies, and (2) if there is no market buying rate for such cable transfers, calculate such rate from actual transactions and quotations in demand or time bills of exchange or from the last ascertainable transactions and quotations outside the United States in or for exchange payable in United States currency or other currency.

"(c) If, pursuant to subsection (b), the Federal Reserve Bank of New York certifies more than one rate of exchange for a particular foreign currency for any date the conversion for customs purposes of amounts expressed in that currency for that date shall be made by applying the applicable rate or rates so certified which reflect ef-

fectively the value of that foreign currency in commercial transactions.

"(d) When there are one or more rates of exchange which vary by more than 5 percent from the par value for any foreign currency listed pursuant to subsection (a), the list shall so indicate. In that event such additional rates of exchange may be certified in the manner set forth in subsection (b) and the par value and any certified rates shall be applied in the manner prescribed in subsection (c)."

"(b) Section 481 (a) of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1481 (a)) is amended by deleting subparagraph (7) and by renumbering subparagraphs (8), (9), and (10) as (7), (8), and (9)."

"(c) Section 481 (b) of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1481 (b)) is amended by deleting 'stating whether gold, silver, or paper.'"

On page 47, line 11, to change the section number from "23" to "21"; on page 49, line 18, to change the section number from "24" to "22", and on page 50, line 6, to change the section number from "25" to "23."

The PRESIDING OFFICER. The committee amendment beginning on page 10, line 24, will be stated.

The LEGISLATIVE CLERK. On page 10, line 24, it is proposed to strike out down to and including page 13, line 7, as follows:

(b) (1) Paragraph 1615 (g) of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1201, par. 1615 (g)), is further amended to read as follows:

"(g) (1) Any article exported from the United States for repairs or alterations may be returned upon the payment of a duty upon the value of the repairs or alterations at the rate or rates which would apply to the article itself in its repaired or altered condition if not within the purview of this subparagraph (g)."

"(2) If—

"(A) any article of metal (except precious metal) manufactured in the United States or subjected to a process of manufacture in the United States is exported for further processing; and

"(B) the exported article as processed outside the United States, or the article which results from the processing outside the United States, as the case may be, is returned to the United States for further processing, then such article may be returned upon the payment of a duty upon the value of such processing outside the United States at the rate or rates which would apply to such article itself if it were not within the purview of this subparagraph (g)."

"(3) This subparagraph (g) shall not apply to any article exported—

"(A) from bonded warehouse or from continuous customs custody elsewhere than bonded warehouse with remission, abatement, or refund of duty;

"(B) with benefit of drawback through substitution or otherwise; or

"(C) for the purpose of complying with any law of the United States or regulation of any Federal agency requiring exportation.

"(4) For the purposes of this subparagraph (g), the value of repairs, alterations, or processing outside the United States shall be considered to be—

"(A) the cost to importer of such repairs, alterations, or processing; or

"(B) if no charge is made the value of such repairs, alterations, or processing; as set out in the invoice and entry papers; except that, if the Secretary of the Treasury concludes that the amount so set out does not represent a reasonable cost or fair value, as the case may be, then the value of the repairs, alterations, or processing shall be de-

termined in accordance with section 402 of this act. No appraisal of the imported article in its repaired, altered, or processed condition shall be required unless necessary to a determination of the rate or rates of duty applicable to such article."

(2) The amendment made by paragraph (1) of this subsection shall be effective as to articles entered, or withdrawn from warehouse, for consumption on or after the day following the date of the enactment of this act and shall apply also to any such articles entered or withdrawn before that day with respect to which no assessment of duty has become final by reason of section 514 of the Tariff Act of 1930.

The PRESIDING OFFICER (Mr. BEALL in the chair). The question is on agreeing to the committee amendment.

Mr. FERGUSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FERGUSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FERGUSON. Mr. President, I rise to oppose the Committee amendment to the Customs Simplification Act, H. R. 5877, on page 10, line 24 and following. This section is in the public interest, as well as in the best interests of manufacturers and of labor. As will be seen, it is one which will save the taxpayers' money, place assessment of duty on a logical basis, and help in keeping employment and production at high levels.

There are certain pertinent features of the section which were eliminated by the committee, which must be understood at the outset. In the first place, it was designed to aid industry along the Canadian border. In the second place, it is limited to metal products of the non-precious type. It would automatically eliminate possibilities of sending gold and silver articles across the border for further work on them and then returning them to the United States.

By way of clarification, let me say that during the past 10 years, because of lack of American plant facilities or reluctance of American plants to take on certain operations, it was necessary for American manufacturers along the Canadian border to export their partly-manufactured products to Canadian plants for some simple manufacturing process or operation which did not complete the product into a finished article, and then reimport the item for completion in their own plants. Thus, a certain amount of value was added to that which was already done in the United States. However, under the present law when the goods are returned to this country the duty is assessed—not on the value added—but, rather, on the total value of the product. In other words, the duty is assessed on the American material and labor plus the cost of the Canadian operation. This I submit is illogical, unjust, and unfair.

Therefore, in connection with trade between these countries, I do not think



there should be such a restriction; and the provision seeks to eliminate it.

Mr. POTTER. Mr. President, will my colleague yield to me?

Mr. FERGUSON. I am glad to yield to my distinguished colleague.

Mr. POTTER. Is it not true that, for example, when United States labor and United States materials are used for the manufacture of a bumper, in Detroit, and when that bumper is sent to Canada for plating, and when thereafter the bumper is returned to the United States, under existing law the duty must be paid on the entire bumper, rather than upon the plating or processing which occurred while the bumper was in Canada?

Mr. FERGUSON. That is correct. The purpose of this amendment to the act is to remove that inequity.

Mr. POTTER. If my distinguished colleague will yield further to me, I will ask another question. Is it not a fact that the taxpayers and consumers of the United States pay all the duty? In other words, in the case of articles manufactured in the United States, by means of the use of United States labor and United States materials, and with additional processing done in Canada, the entire duty, whatever it is, eventually is paid by the consumers, is it not?

Mr. FERGUSON. That is correct. Furthermore, in case of war the United States Government itself would be involved in additional expense under the present situation as it applies to cost-plus contracts entered into between the Government and manufacturers, in the case of articles produced for the Government under those contracts, and shipped to Canada for additional processing. The duty charged, whatever it might be, would be added to the cost, and thus would become a part of the charge to the Government, under the cost-plus contracts. However, it is obvious that the duty should be paid only upon the improvements made while the article was in Canada.

Mr. POTTER. Mr. President, will my colleague yield further to me?

Mr. FERGUSON. I am glad to yield.

Mr. POTTER. Is it not also a fact that industry as well as labor in the Detroit area is very anxious to have this amendment enacted into law?

Mr. FERGUSON. That is correct.

Mr. POTTER. It is obvious that a great automobile plant can be closed down because of lack of some simple processing facility which can either be done better in Canada, or if such facilities are not available in the United States.

Mr. FERGUSON. That is correct.

Let me say that I have heard of no opposition to the amendment. It applies to conditions existing not only in Detroit, but also in Buffalo and other border cities.

I do not believe the amendment would apply to articles shipped to distant lands, because in such cases the freight charges would be so large that no doubt the final cost of the article would be virtually prohibitive.

Mr. POTTER. Mr. President, will my colleague yield further to me?

Mr. FERGUSON. Yes, I am glad to yield.

Mr. POTTER. I understand from Representative Knox, of Michigan, who submitted the proposed amendment to the act, which was before the Ways and Means Committee of the House of Representatives, that he has assurance from the Canadian Government that if the Congress enacts this measure, Canada will immediately undertake to enact similar legislation, with the result that there will be reciprocity of treatment regarding this matter.

Mr. FERGUSON. I am informed of that by the distinguished Representative from the 11th Congressional District of Michigan, Mr. Knox, whose district includes Sault Ste. Marie, and who therefore is familiar with such transactions in that particular area.

Mr. POTTER. Mr. President, will my colleague yield for another question?

Mr. FERGUSON. Yes, of course.

Mr. POTTER. It is my understanding that the amendment was submitted in the Ways and Means Committee and was accepted unanimously by that committee, which submitted it as a committee amendment on the floor of the House of Representatives, with little or no opposition, to my knowledge.

So I sincerely hope the distinguished, able, and learned chairman of the Finance Committee will see fit to accept our amendment or to withdraw the committee amendment to strike out this language, so that it will give us the relief that is necessary in that area.

Mr. President, will my colleague yield further to me, to permit me to make a further observation?

Mr. FERGUSON. I am glad to yield.

Mr. POTTER. It is my understanding that our defense effort can be and has been hampered by the existence of this situation. In such circumstances, when the facilities in Michigan are completely utilized, it often is necessary to utilize some of the Canadian facilities, in order to have some of the further processing done. As a result, some of the materials manufactured in the United States are sent to Canada, for processing, and thereafter are returned. The duty that is charged is, of course, added to the cost of the article, and thus is added to the cost of our defense program.

Mr. FERGUSON. That is correct.

#### PROVISION FOR TARIFF ON ADDED VALUE

Mr. MALONE. Mr. President, I should like to ask the distinguished Senator from Michigan if there is a provision for importing into Canada certain materials under bond, and to have those materials improved in value in Canada, by the addition of labor and material, and thereafter returned to the United States, with the result that the duty will be charged on the added value while the article is in Canada. In any provision the duty is to be charged on the added value of the article.

For instance, we often import ores and various other materials to be processed in the United States. They are brought into the United States under bond, and

can be shipped out of the United States without charge.

Cannot the articles the Senator from Michigan has in mind be handled in a similar manner?

Let me point out the distinction which exists in this connection. If a manufactured article is sent to Canada, for instance, to be finished or improved in value there by the use of the cheaper Canadian labor, if it is thereafter returned to the United States, and if the duty is paid only on the added Canadian labor and material, it will be possible to add a material amount of value to the article without paying a duty on the actual added value, because of the cheaper Canadian labor, and perhaps also cheaper Canadian material.

Mr. FERGUSON. Of course it all depends upon whether the Senator from Nevada believes we should have reciprocity in trade.

#### EXPORTS AMERICAN JOBS

Mr. MALONE. That is not the point at all. I favor reciprocity, when it exists. But whenever there is an arrangement of the sort referred to by the Senator from Michigan, the actual result is to export American jobs, and that actually hinders, rather than helps, our national defense.

Mr. FERGUSON. Any manufactured article which is imported to the United States causes some interference with United States labor.

Mr. MALONE. That is correct.

Mr. FERGUSON. There is no doubt of that.

Mr. MALONE. I agree with the distinguished Senator from Michigan.

Mr. FERGUSON. If there is to be trade between the nations, that situation must be taken into account.

Mr. MALONE. Yes. But why go out of our way to cause such interference? Why encourage the export of unfinished processed articles to be improved in value through cheaper labor and materials? It simply encourages importation of the cheaper labor products.

Mr. FERGUSON. Does the Senator from Nevada believe that if an article worth \$1,000 is sent to Canada, where \$100 worth of work is done upon it, when the article thereafter is returned to the United States, the duty should be charged on the entire \$1,100, instead of only on the \$100?

Mr. MALONE. That is not the question.

Mr. FERGUSON. That is the question in this case.

Mr. MALONE. The question is this: Should you export an unfinished article worth \$1,000; add \$100 worth of cheaper labor and material which in this Nation would cost \$125 or \$150—and only charge duty or tariff on \$100?

Mr. FERGUSON. Of course, the Senator from Nevada always considers that such processors are used solely for the purpose of injuring United States labor.

#### AMERICAN LABOR SUFFERS

Mr. MALONE. Almost every paragraph of the bill before us has a "fish-hook" in it so far as United States labor is concerned. Let me point out that the hearing on the bill lasted only approx-



imately 3 hours, although the bill constitutes a great many pages—many too many, in fact, to be digested in either 3 hours or 3 days.

We picked up a few of the most glaring attempts to lower the tariff in a so-called simplification bill.

#### GENERAL AGREEMENTS ON TARIFFS AND TRADE

An attempt was made to adopt provisions of GATT—the so-called general agreements on tariffs and trade, which we have stopped here for several years.

#### INTERNATIONAL TRADE ORGANIZATION

Another paragraph would have adopted part of the International Trade Organization. The fishhooks are there. We simply had not time nor witnesses to ferret them all out.

Mr. FERGUSON. I am pointing out only one item of the bill.

Mr. MALONE. But instead of having a bumper plated in Canada, the result of the enactment of such a provision might be that half an automobile would be manufactured in Canada with a tariff charged on the actual value of the labor instead of the added value, thus depriving United States labor of that much employment, and making it profitable to manufacturers to elude the tariff provision.

Mr. FERGUSON. Of course, on the basis of past experience, I take it that the men who are engaged in industry along the border would not want to do that.

Mr. MALONE. I think they would. I think the leader of the union there is for free trade. It is the first time I have known of labor leaders advocating that American jobs be exported.

Mr. FERGUSON. This is not a matter of free trade. A tariff would be imposed on the added value when the article is returned to the United States.

Mr. MALONE. To point out a distinction, I may ask the Senator, is the tariff to be paid on the added value of the article coming in, or is he advocating that the tariff be paid merely on the amount of the cheaper labor performed on the article that reenters this country?

Mr. FERGUSON. It is the added value of the article.

Mr. MALONE. Then I have no argument. In other words, if an article is worth \$100 when it goes out, and is worth \$150 when it comes back, regardless of the lower cost of the labor and materials, then in reality the tariff must be paid on the actual value and not only on the lower labor and materials cost.

Mr. FERGUSON. I think the words on page 11, beginning at line 14, cover that. They read:

If the exported article as processed outside the United States, or the article which results from the processing outside the United States, as the case may be, is returned to the United States for further processing, then such article may be returned upon the payment of a duty upon the value of such processing outside the United States.

Mr. MALONE. That is exactly what the junior Senator from Nevada said—the cost of the processing outside the United States, at a lower labor and material cost. That is what the provision on page 11 says, and the tariff would not apply on the added value.

Mr. FERGUSON. It is the value, not the cost. It is the value of such processing.

Mr. MALONE. That is correct. That is what the House wording provided and the Senate Finance Committee struck it out.

Mr. FERGUSON. It says "outside the United States at the rate"—

Mr. MALONE. At whatever it costs.

Mr. FERGUSON. No; it does not say, at the cost.

Mr. MALONE. Let us read it. That is exactly what it says. To what page is the Senator referring?

Mr. FERGUSON. Page 11.

Mr. MALONE. That language is stricken out.

Mr. FERGUSON. The committee struck it out, and we want the language restored.

Mr. MALONE. Yes, that is exactly what it says. If the Senator will change it to read "the added value of the article," not the value of the processing, he will then be on the right track. Otherwise the article could be sent to England, where labor is paid \$3 a day—or to Mexico where it is \$2.50.

Mr. FERGUSON. The trouble is, if we say "the value of the article"—

Mr. MALONE. "The added value."

Mr. FERGUSON. "The added value"? I would have no objection to saying "the added value."

Mr. POTTER. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. POTTER. I think I am correct in my interpretation of the meaning. Most of the articles are sent out of the United States for processing, to obtain a finished product when it comes back. But the Senator will find that most of the articles are those which enter into the finished automobile.

#### ADDED VALUE, NOT ADDED COST

Mr. MALONE. I have no objection to the amendment, provided that the words "added value"—not the processing cost are inserted; otherwise I would say—if the Senator from Michigan will yield further—

Mr. FERGUSON. I yield.

Mr. MALONE. Unfinished products could be sent to Mexico quite easily, in order to get the benefit of \$2.50 a day labor provided the tariff was charged only on the cost of the labor and materials cost. The added value wording protects the American labor.

Mr. FERGUSON. Yes. This applies to nickelplating.

Mr. MALONE. Then the tariff would be charged on the added processing cost. But if the tariff were paid on the added value of the article, American valuation, I have no objection.

Mr. POTTER. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. POTTER. I think we are quibbling about words, and that we both mean the same thing.

Mr. MALONE. I am sorry if it is quibbling. But if it means that, it is so worded that it does not say "the added value"—it leaves the door open to the abuse which I have described.

Mr. FERGUSON. The added value of such processing.

Mr. MALONE. No—the added value of such product—following the additional processing.

#### TAKE THE PROFIT OUT OF FOREIGN CHEAPER LABOR PROCESSING COST VERSUS ADDED VALUE

If the tariff is charged on the processing cost which is added, it means that the cheaper labor and materials in Canada can be used instead of the labor and materials cost in the United States, then it means that American jobs can be profitably exported to Canada. But if the tariff is charged on the added value, it takes the profit out of the cheaper foreign labor.

Mr. FERGUSON. I have no objection. I have stated my understanding, which is that at the present time we pay the entire cost of the completed article.

Mr. MALONE. The Senator from Michigan evidently is sure of that, otherwise, I feel that he would not so state.

Mr. FERGUSON. I would not. I desire to confer for a moment with the author of the amendment.

Mr. POTTER. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield to my colleague from Michigan.

Mr. POTTER. I desire to call the attention of the Senator to the language on page 11, line 14, which reads:

(B) the exported article is processed outside the United States, or the article which results from the processing outside the United States, as the case may be, is returned to the United States for further processing, then such article may be returned upon the payment of a duty upon the value of such processing outside the United States at the rate or rates which would apply to to such article itself if it were not within the purview of this subparagraph (g).

Mr. MALONE. If the Senator will yield further, I would call his attention particularly to the word "the," in line 19. Lines 19 and 20 read: "duty upon the value of such processing outside the United States at the rate or rates which would apply to such article itself if it were not within the purview of subparagraph (g)."

In other words, it is upon "the value of such processing."

I call the Senator's attention to the fact that line 19 reads "duty upon the value of such processing \* \* \* of such article." I suggest striking out the word "processing" and inserting "article," so that line 19 would read, "duty upon the added value of such article," instead of "such processing." In other words, if \$2 is added to the value of the article, then the duty or tariff would be paid to the increased value because it would have cost the \$2 for the labor and materials on the higher wage standard on the American side.

Mr. POTTER. I think we would run into difficulty there. The main purpose of the amendment is to provide for the articles which go across the border for processing.

Mr. MALONE. That is correct.

Mr. POTTER. If we merely eliminate the word "processing," and simply use the words "such articles as come back," I think we would be opening the door much wider than was intended.



## IMPORTING CHEAPER LABOR

Mr. MALONE. No, it is the added value. The Senator will realize that wages are higher here than in Canada. If it could be sent to France, the price of labor would be \$2.50; if it was sent to Mexico, the price would be from \$2 to \$2.50 a day. It would be possible to do a part of the processing outside this country and in effect import cheaper labor. If the term "added value of the article" is employed—and we might say, on account of such processing—it would then be charging the value added to the article we are importing and would take the profit out of the foreign cheaper labor.

Mr. POTTER. Mr. President, if the Senator will bear with me, let us say that an automobile bumper is sent to Canada to be plated.

Mr. MALONE. It would represent a very simple operation.

Mr. POTTER. I do not know how it would be possible to determine the additional value of the plating, other than—

Mr. MALONE. I shall explain it in some detail. Let us assume that we pay \$2 an hour in the United States, and that the rate paid in another country is \$1 an hour—or, for example, the rate might be \$1 an hour here and 50 cents an hour in the other country; then, if it takes an hour to plate a bumper, under the Senator's suggestion, there would be a processing value of 50 cents. As a matter of fact, when the bumper comes back, \$1 would be added to the value of the article, because that is the amount that it would have cost in our country.

Mr. POTTER. I think, according to the Senator, it would be the cost of the processing.

Mr. MALONE. No.

Mr. POTTER. It would be the value of the processing.

Mr. MALONE. No. I am inserting the added value of the article, by virtue of using the lower cost labor. Perhaps the bumper plating is done by means of spraying, perhaps it is done by painting; but however it is done, it represents a very simple operation. Let us assume, for purposes of illustration, that the rate in the United States is \$2 an hour, and that it is \$1 in the other country. I know the rate is higher here. It would then be possible to add more value to the article, and, when the article is returned to the United States, the added value would be more than the amount paid for labor.

Mr. FERGUSON. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator from Michigan is recognized for a point of order.

Mr. FERGUSON. Mr. President, I merely wanted to state that I am unable to hear what is being said.

The PRESIDING OFFICER. The Senate will be in order.

Mr. MALONE. When there is placed in the amendment a reference to the added value because of the processing, it means that there are added to the value both the cost of the materials used in the processing and the factor of

cheaper labor related to American cost of labor and materials.

Mr. FERGUSON. Of course, the labor is a very important item, and I believe the same rates apply in both Detroit and in Windsor, Canada.

Mr. MALONE. What is the rate?

Mr. FERGUSON. The labor rate per hour?

Mr. MALONE. Yes.

Mr. FERGUSON. I do not know.

Mr. MALONE. The rate in Canada is generally lower.

Mr. FERGUSON. Mr. President, we are all aware that during World War II, Detroit industry turned out 10 percent of the total war production of the United States. This was accomplished to a great degree by making use where necessary of Canadian plant facilities. Many companies, however, were on a cost-plus basis. When products which they were compelled to send over to Canada came back to the United States, the duty was assessed, as I mentioned above on the total value, and the taxpayer paid the bill. On such cost-plus contracts, this can and does continue to happen. Where companies do not have such contracts, they must either absorb the unfairly added increment of duty, or shut part of the plant down until the problem can be resolved on this side of the border.

It must be stressed that the practice of sending commodities across the border is only an emergency procedure. With the high costs of handling out of and back into plants plus the high costs of transportation to and from Canada, such procedure is not particularly inviting to any businessman. It must also be pointed out that Canadian wage scales are comparable to those of our plants. The procedure must and is only resorted to in case of emergency to keep production and employment at a high level. Under the present law, however, industries find it difficult to meet these desirable high production and high employment levels.

The products of manufacturing industries along the Canadian border are used all over the United States, and it is certainly obvious that whatever extra costs are finally incurred in production are of necessity passed on to the ultimate consumers. The basis of duty on such American goods returned from some intermediate Canadian operation must be realistically made in order to justify economically the final price to the ultimate consumer.

Mr. President, we should not stand in the way of placing the basis of duty on American goods returned on a logical and fair basis. The proposed amendment is to correct an unfair, unrealistic, and discriminatory tariff treatment of American products, which, because of necessity, are exported for some simple intermediate processing. Because of this purpose for which it was written, it is most germane to the bill on customs simplification. Furthermore, it will simplify present complicated customs procedures for entering exported American manufactures and thus give customs officials more time for other and more important duties.

Mr. President, the Representative from the 11th District of Michigan [Mr. Knox]

is a member of the House Ways and Means Committee, and he is familiar with the fact that in the past, manufacturers in my State had sad experience with the present law. Iron and aluminum castings which were sent over for a simple profiling or grinding operation were assessed duty on the full value of the returning item; wheels for military tanks which were merely flanged by Canadian plants were assessed as if manufactured in Canada; adding machine arms, which merely were bent in Canadian plants, were also assessed duty on the full value. There have been many inquiries from companies who investigate the possibilities of sending partly finished articles over for some work in Canadian plants because they could not resolve their problem in American plants. But because they have no cost-plus war contracts, and cannot, therefore, absorb the extra costs, they have to forget about it and trim their operations accordingly—including the level of employment.

There is already adequate precedent for such legislative measure. For instance, paragraph 1410 of the Tariff Act of 1930 provides:

That exported books of domestic manufacture, when returned to the United States after having been advanced in value or improved in condition by any process of manufacture or other means shall be dutiable only on the cost of materials added and labor performed in the foreign country.

Paragraph 1726 of the Tariff Act of 1930 provides for free entry of:

Sound recordings transcribed or recorded for radio or television news broadcasts in the United States, or suitable for use in reproducing sound in connection with moving-picture news reels, undeveloped negative moving-picture film of American manufacture exposed abroad for silent or sound news reel.

In conclusion, Mr. President, I would think we should be able to simplify the procedure in the manner proposed by the House bill. I have taken up the question with the Treasury Department, and I find that that Department has no objection to the wording of the provision of the section. The language was drafted, as I am informed by Representative Knox and by the Treasury Department, and it does not present any administrative burdens or difficulties. The adoption of this amendment will increase the work of the Customs Bureau only to the extent that the increased trade across the border might impose new burdens on customs employees or officials, but the burdens would not be substantial. Because the type of trade provided for in this paragraph does not exist in measurable volume at this time, it is almost impossible to estimate all the aspects of the provision. Insofar as it can be determined at this time, paragraph (b) (1) does not have any application except that which is covered by the paragraph itself.

I certainly know of no joker in the amendment, and I see no difference between the words that are in the bill and those which the Senator from Nevada has in mind.

Mr. MALONE. Mr. President, will the Senator from Michigan yield?



Mr. FERGUSON. I yield.

Mr. MALONE. I would suggest, then, if there is no difference, and if the Senator believes that the wage scales are about the same, that the words proposed to be inserted will not do any harm.

Take lines 18 and 19, on page 11. Line 18 reads: "then such article may be returned upon the payment of a," and then line 19, "duty upon the value of such processing outside the United States."

I would simply insert after the word "duty" in line 19 the word "added", and after the word "such" insert the words "article processed."

In other words, it would provide that such an article may be returned upon the payment of the duty upon the added value of such article processed outside the United States.

Mr. FERGUSON. I have no objection to that.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Nevada.

The CHIEF CLERK. On page 11, line 19, it is proposed to insert after the word "duty" the words "upon the added value of such article processed."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nevada [Mr. MALONE].

Mr. MILLIKIN. Mr. President, for what seemed to me to be several conclusive reasons, the Senate Committee on Finance struck out the language which has been described. I do not believe there is any question that the language of the amendment has a tariff-lowering effect. It was the policy of the Committee on Finance to exclude from the bill everything that had a tariff-raising or tariff-lowering effect. Our conclusion was that such questions went outside the scope of the bill, which is designed to secure administrative and procedural improvements. We opposed adding anything to or keeping in the bill anything that would have put upon the Senate Finance Committee the burden of holding the necessary hearings to decide whether a tariff should be raised or lowered.

The net effect of the amendment would be a lowering of tariffs. The distinguished Senator from Michigan was asked a question as to what is added by the amendment which had been stricken out. The law would remain exactly as it is now so far as repairs and alterations were concerned. The only thing the language which was stricken out really does is to provide for processing. That is the only change.

When we come to the question of processing, the meaning of the word is as wide as the world. The dictionary says:

To subject to some special process or treatment. To subject (especially raw materials) to a process of manufacture, development, preparation for the market, etc.; to convert to marketable form—

And so forth. Under the language stricken out, goods imported would have to be further processed in the United States. I am now talking about the language which the committee struck out, and I am stating the reasons why

it was stricken out. I repeat, under the language proposed to be stricken out, goods imported would have to be further processed in the United States. In other words, the article in question could not be completely finished abroad. However, this is a technicality that could be avoided in the United States simply by leaving a few minor parts for assembly in the United States.

For example, the American Textile Machinery Association is opposed to the provision. That group includes some 40 manufacturers of machinery, and they claimed that they were already suffering from foreign competition because of a 75-percent reduction in tariff protection. They felt that the proposal might well finish the job of closing down a number of their plants.

Please remember that I am not making a tariff argument. The bill does not advocate raises or decreases in tariffs. The committee has tried to confine the bill to procedural amendments. What the people I have mentioned, the American Textile Machinery Association, fear is that thousands of parts can be made of machine stampings, for shipment abroad, where the labor will be performed. They feel that the cost of those parts, although the parts can be somewhat further processed after importation, will then be dutiable only on the cost of foreign labor.

There is no comparison between the value of airplane aluminum, steel rivets, and so forth, and the value of a completely assembled wing, for example. Some of the wings have literally thousands of rivets, and the labor on the finished wing might be the important item of cost.

It was felt that the amendment would be an open invitation to the importation of foreign labor, and assembly plants could be built on the other side of the border, wherever possible, and in thousands of cases labor costs account for a large proportion of the total cost of the finished product, and the jobs of many Americans who do assembly work would be endangered.

I have cited the objection of the textile people, not to make a tariff argument, but to show that the section is highly controversial. The Senate Finance Committee decided it should not resolve the questions involved without hearings. There was not an opportunity to have hearings, so we struck out the section, which I submit was an eminently proper procedure. This is not a tariff bill; it is a customs simplification or procedure improvement bill.

Mr. POTTER. Mr. President, will the Senator yield?

Mr. MILLIKIN. I am glad to yield.

Mr. POTTER. The Senator from Colorado has commented on the cost of foreign labor, and mentioned the textile machinery industry. If there were any question about that, I am certain the amendment submitted by the Senator from Nevada [Mr. MALONE], where it specifically recites the value of the cost of the article, would cover the objection.

In my humble opinion, it would seem that, irrespective of the cost which might be involved in producing or proc-

essing an article, the value which went into the article, and not the cost, would be the consideration.

I do not believe it was ever intended to impose a tariff or a duty on American goods made by American labor. That is what has happened under present law. A duty is imposed upon goods made by American labor when it is necessary for the article to go outside the country for additional processing, and to be returned for reentry into the United States. It is my humble opinion that it was never the intention of Congress to impose a duty or tariff on American-made goods.

Mr. MILLIKIN. The Senator emphasizes the point I am trying to make, that is, questions of value, domestic and foreign. Questions as to valuation, classification, and rates of duty go to matters on which the Senate Committee on Finance habitually holds hearings for 2, 3, or 4 weeks. The Committee on Finance decided no policies as to the tariff questions because it was not in position to hold the hearings which it thought should be held.

I read to the Senate one of the objections in order to show that there are objections to the amendment which we struck out and strong ones, by people who wanted to be heard before the Senate Committee on Finance. The committee did not feel itself competent, with the small amount of evidence before it, to reach final decisions on a matter of this importance. The committee decided that this was not the bill for enacting that kind of legislation. We did not have time to get witnesses, to have hearings, and to reach the conclusions that ought to be reached, one way or the other, on this matter.

I repeat, I am not now arguing the merits of the tariff question involved. I am simply saying that the Senate Committee on Finance deserves an opportunity, when it acts on a subject of this kind, to have the kind of hearings it traditionally holds on tariff questions. This matter came up on the floor of the House. It came to the Senate only a very few days ago. If there is to be action on the bill, it must be had rapidly. The committee could not hold hearings. I have cited the objection of the Textile Machinery Association to illustrate the point that there are objections, that people want to be heard, that we had to deny them the right to be heard, and that we had no alternative but to eliminate this provision.

I suggest that the amendment itself is somewhat confusing. I suggest again that it is in real effect a tariff measure, something which should not be included within this bill.

I now read from a report from the United States Tariff Commission, which we requested, on the effect of this amendment:

The precise scope of the proposed new language is not easily defined.

This comes from the Tariff Commission, which has an expert staff, the members of which have been working on these subjects for years and years:

The precise scope of the proposed new language is not easily defined. It seems



clear, however, that such new language would considerably enlarge the scope of the existing provision and its potential application to an infinite variety of new transactions involving foreign articles made abroad wholly or partly from American articles.

Surely the Senate Finance Committee, when confronted with a question of that kind, when confronted with demands for hearings, when confronted with controversies, should have its judgment accepted when it says that it does not care to act until it can have hearings.

Continuing from the report from the Tariff Commission:

While the article "exported for further processing" would have to be composed "of metal (except precious metal)," it is noted that the new or different article returned to the United States "for further processing" would not have to be so composed.

The general policy of imposing the full duties on articles exported from the United States and returned after processing abroad has been in effect for many years and has been intended to protect American labor and enterprises from the competition of foreign processing of domestic materials for subsequent use in this country. Presumably that general principle was not intended to be appreciably impaired by the special provision with respect to assessment of duties on exported articles returned after repairs or alterations made abroad.

Custom officers also would have the added problem of determining that the article had been "manufactured in the United States or subjected to a process of manufacture in the United States," and that the article subsequently brought into the United States after further processing abroad was in fact thereafter further processed in the United States.

Under the proposed language of the bill, one importer might be granted an exemption, whereas another importer, with a case of equal merit involving like articles entered or withdrawn on the same day, might be denied the exemption because of a technicality having no relation to the merits of his claim, i. e., finality of liquidation by reason of section 514 of the Tariff Act.

It would appear from the foregoing that the proposed amendment is a measure designed essentially to provide tariff relief, and that the nature of the relief afforded is such that numerous export and import transactions would arise involving increased and difficult administrative and interpretive problems. Obviously, therefore, the proposed amendment is not a measure designed to provide for simplification of existing customs procedures.

I repeat that it is not the purpose of this bill to add to tariffs or to lower tariffs. The purpose of the bill is simply to correct procedural practices. If we were to start adding tariff measures, we would never finish, and I am sure we would have a bill which would not be acceptable, or at least could not be processed by the House within the time available.

The Tariff Commission says:

Obviously, therefore, the proposed amendment is not a measure designed to provide for simplification of existing customs procedures.

Because that is true, and because it impressed the Finance Committee as being true, we struck that language out. We could not possibly act intelligently on such a provision without holding hearings. It goes to heart questions in tariff matters—questions of valuation, rates, customs, and practices of busi-

ness, and many other matters which would require a considerable number of days to study if we were intelligently to advise Members of this body as to what should be done.

The language proposed to be stricken by the committee amendment is a tariff measure. The bill before us is not a tariff measure. It is a simplification measure.

I oppose the amendment of the distinguished junior Senator from Nevada because it also goes into questions of valuation. In view of the purposes of the bill, we are not interested in questions of valuation, because valuation is an important part in establishing what must be paid as tariff.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. MILLIKIN. Of course.

Mr. MALONE. It was not the amendment of the junior Senator from Nevada. The motion of the two Senators from Michigan was to disagree to the committee amendment striking out certain language of the House bill. The junior Senator from Nevada merely offered a wording correction, if the amendment were to be accepted.

Mr. MILLIKIN. The chairman of the Senate Committee on Finance opposes the amendment offered by the junior Senator from Nevada, and strongly opposes the motion of the Senators from Michigan, for the reasons which he has stated. We are not now dealing with tariff questions. There will be plenty of opportunity to bring those up in other connections. This bill, requested by the President, is confined to procedural questions. If it were enlarged to include other things, I doubt whether it would get out of the House.

Mr. FERGUSON. Mr. President, the Senator from Colorado says that he doubts that the bill would get by the House. This matter was considered a procedural matter in the House of Representatives, on the floor, where this language was placed in the bill. So if the Senate votes to permit this language to remain in the bill, certainly the House, having put it in originally, would be in no position to refuse to allow it to remain in. The House has considered it as a matter of simplification.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. MILLIKIN. The Senator knows very well that if we were to start tinkering with tariffs there would be 100 amendment to this bill. We never would get the bill out of the House. We never would have action on it before the end of the session.

The junior Senator from Colorado is emphasizing this point. The Senate Finance Committee says that this is an important question. It says that it is a tariff question. It is our traditional method of solving such problems to hold hearings, sometimes protracted hearings. I do not believe that the assertion is valid that the recommendation of the Finance Committee should be side-tracked, and that we can decide questions of this importance here without any hearings, but simply on the basis of ex parte showings.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. JOHNSON of Colorado. Is it not a fact that the bill never would have gotten out of our committee with this language in it?

Mr. MILLIKIN. That is correct. Had this language originated in the Senate, it would never have gotten out of the Finance Committee, because we regard it as a tariff measure. We consider that it requires study and hearings of a scope which we are unable to give to it. We would like to be protected in that position.

THE SO-CALLED SIMPLIFICATION BILL PART OF A PLAN TO PROMOTE FREE TRADE

Mr. MALONE. Mr. President, I am a member of the Senate Finance Committee. I agree fully with the distinguished Senator from Colorado that it was his intention not to attach anything to the bill that involved a change in the tariff, either by lowering it or raising it.

I think he was very earnest in that attempt, and I believe that the committee itself was earnest in that attempt.

GENERAL AGREEMENTS ON TARIFF AND TRADE—ITO

However, no one can say with certainty whether that is true or not, because no hearings were held. There was no opportunity to question witnesses. We found several provisions in section 15 and section 22, which attempted to adopt a part of the International Trade Organization and of the general agreement on trade and tariff, a promotion of the State Department, which has been bouncing around the Senate many years, but always rejected by that body.

DIVIDE PRODUCTION AND CONSUMPTION

The International Trade Organization was simply an organization of nations—55 to 58 nations—which would meet at least once each year and estimate the total amount of world consumption and world production, and divide it among all the nations of the world on the basis of need.

In 1951 when the State Department made it plain that it would not again bring up the International Trade Organization, the 2-year extension of the 1934 Trade Agreements Act was extended for 2 years.

THE INTERNATIONAL MATERIALS CONFERENCE

Almost immediately the State Department organized the International Materials Conference, which was to do exactly the same thing that the International Trade Organization had been designated to do, but of course through the auspices and authority of the State Department without congressional sanction. They, the International Materials Conference, would add up the consumption and the production of the entire world each year and divide it among the nations on the basis of need.

CONSPIRACY AGAINST THE WORKINGMEN AND INVESTORS

The whole structure is a part of the conspiracy against the workingman and small business in this country.

I am sure that the distinguished junior Senator from Colorado does not feel at the moment that the matter of lowering or raising or in any way affecting the



existing tariff provisions is involved in the bill.

However, I point out that we do not know that to be a fact. We sit in committee for 2 or 3 days and try to digest a bill of this magnitude upon which the Treasury Department, by its own admission, has been working since January. At the same time we know the State Department has been pressing upon Congress certain of these provisions for the past 15 years.

#### CONCEALED PROVISIONS

They conceal their real intentions in ambiguous language in a paragraph, and there is no way of knowing on short notice and the casual inspection possible without hearings, whether there is a fishhook concealed in it. We take it, and it is the law before anyone has an opportunity to properly examine it.

Mr. MILLIKIN. I would remind the Senator from Nevada that we had technicians from the Treasury Department testify in 4 or 5 days of hearings on the pending bill. I wonder whether the Senator from Nevada would not wish to correct his statement about 3 or 4 hours.

#### NO CHANGE IN GOVERNMENT PERSONNEL

Mr. MALONE. I am sorry. I will correct it. However, we had no witnesses testify from business organizations or individuals that would be injured by the bill. We did have witnesses from the Treasury Department and other Government officials.

In that connection I want to say right here that with the exception of the top officials of those departments, the second, third, and fourth layer of the departments' personnel are just the same as they have been for the past 20 years.

There has been no change made at all. When a memorandum is requested or a report is requested, the same kind of information is forwarded. The wording is the same. Therefore, no one is sure what the bill contains, least of all the Committee on Finance, which sits for 3 or 4 days on a complicated bill of this nature.

#### MARKING PROVISIONS COUNTRY OF ORIGIN

The marking provision in section 4 is an example. We do not know what effect it will have. We are unable to tell.

Formerly it was provided that certain permanent markings had to be applied. Now the marking must be permanent enough to reach the customer before it is erased.

#### GENERAL ACCOUNTING OFFICE CHECKS

There is also the provision with respect to the General Accounting Office checking on the value. Under the present law, the General Accounting Office checks such values, but that would be obsolete under this bill.

#### IMPORTED ORES—METHOD CHANGED

Then there are changes with respect to the sampling of imported ores, lead, and zinc, for example. I understand no producers of lead or zinc testified on the House side, and certainly none were invited to testify before the Senate committee in connection with the pending bill.

We have heard no evidence from the experienced ore producers in regard to the changes in that respect.

#### A METHOD OF UTILIZING LOWER WAGE LABOR

Regarding the provisions for shipping products out of the country for further processing by cheaper labor and then importing such products into this Nation by merely charging the actual cost of the work performed and the materials used in such processing, I wish to point out that a distinguished Senator from Connecticut 2 or 3 years ago sent the Encyclopedia Britannica to England to have it printed and sent back here to sell to subscribers, because it was cheaper to have it printed in England, and the tariff on the finished product was very low. I do not blame the Senator for doing it. I blame Congress for making it possible and profitable to do it.

#### PAPERMAKING—ELECTRIC MACHINERY

A letter was read by the distinguished Senator from Colorado from the people who are in the business of manufacturing intricate machinery in which labor is a large part of the cost. The Secretary of War only a few weeks ago let a contract to a firm in England for providing an electrical generator to be placed in a dam being built on a western river.

Mr. President, in time of war we could not possibly get repairs for that generator. Their bid was under bids from firms in this country, but not as much as the difference in labor costs.

#### FREE-TRADE OBJECTIVE

If the so-called simplification bill had been accepted as originally written—and I believe the distinguished junior Senator from Colorado will agree with me—it would have been one more long step in the destruction of the workingman and investors of this Nation. As it is now written it will be found that we have only shortened the step—they never give up the ultimate free-trade objective.

We were able in 3 or 4 days of committee discussions—if that is what it was—to pull out 5 or 6 fishhooks which would have further destroyed the workingman and small business of this Nation.

Mr. President, I say it still has plenty of fishhooks in it and we should not pass it, in my humble opinion.

Mr. POTTER. Mr. President, the distinguished Senator from Colorado, the chairman of the Committee on Finance, has given the impression that the motion of the senior Senator from Michigan [Mr. FERGUSON] has been conceived hastily and without much consideration. It is my understanding that the amendment has been under consideration by the Ways and Means Committee of the House for the past 2 years, that the Treasury Department has worked on the language of the amendment, and that the Bureau of the Budget approved the amendment. Consequently, the amendment received the support of the full Ways and Means Committee of the House of Representatives, which is quite a deliberative body, and it was acted upon favorably by the

House of Representatives, with little or no objection. Now it is in the final stages in the Senate.

As to whether the amendment is germane to the bill, I would say to the distinguished Senator from Colorado that the other body believed the amendment to be germane. If the amendment were adopted, there would be no difficulty in conference, because the other body has already agreed to it.

It means a great deal to industry and labor near the Canadian border. We have many modern facilities which are working to capacity. If an order is made for a certain type of processing for which we do not have the facility available, it has always been the practice—and we still follow it—of sending the semifinished articles to Canada for further processing. When the commodities return, not as a finished product, but for further processing, we must pay the total cost.

We have to pay the duty on the entire article, as if the entire article had been manufactured in Canada, whereas of course only a part of it is manufactured there. In other words, in such case the duty is also paid upon United States products and United States labor.

Let me cite some examples of articles which are manufactured in the United States, and thereafter are sent to Canada for further processing:

Idler wheel rims were exported to have a flange turned on the edge.

Lever arms for adding machines were exported to have angles bent in the arms.

Steel ingots were exported for slabbing operations which could not be had in American mills.

Steel strip was exported for trimming.

Piston rings were exported for a rough grinding operation.

Castings and forgings were exported for grinding or a drilling operation.

Mr. President, I sincerely hope the Senate will adopt the provision contained in the House bill despite the eloquent arguments of the very distinguished chairman of the Finance Committee, the junior Senator from Colorado [Mr. MILLIKIN], with whom I would never enter into debate—except upon a question about which I felt very deeply—because of his magnificent presentations and his great knowledge of the subjects under discussion.

However, this amendment is germane to the bill, and I am sure it will alleviate a discrimination which now exists. Therefore I sincerely hope the Senate will adopt the amendment.

Mr. MALONE. Mr. President, will the Senator from Michigan yield to me?

The PRESIDING OFFICER (Mr. BARRETT in the chair). Does the Senator from Michigan yield to the Senator from Nevada?

Mr. POTTER. I am glad to yield.

Mr. MALONE. I am in entire sympathy with the junior Senator from Michigan in his effort to secure fair treatment for manufacturers on either side of the line, regardless of the other country involved—whether it is Mexico, Canada, or any other.



I believe the wording which was accepted by the senior Senator from Michigan [Mr. FERGUSON] will be quite adequate.

**"FISHHOOKS" IN THE BILL**

However, I would point out one of the "fishhooks" that were in the bill, namely, the change made in the bill as it came from the House was to accept the export value of the foreign country rather than the United States value. In other words, if an article comes into the United States from France, England, South Africa, or some other country where the labor cost might be one-tenth or one-third the United States labor cost, the export value, rather than the United States value, would be used as the basis for fixing the duty, with result that there would be a much lower tariff collection.

I believe that the question of the adoption of the export value, instead of the United States value, for fixing the tariff, is a subject for treatment on another day.

If we are to pass the bill at all, I believe the wording of the amendment so proposed by the senior Senator from Michigan is very fair, since they would then pay the tariff on the increased value of the article rather than just the cost of the lower cost labor and materials used in such product.

Mr. POTTER. I thank the Senator from Nevada. I know of his great knowledge of tariff matters, and I appreciate his comments.

Mr. MILLIKIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Goldwater	Mansfield
Anderson	Gore	Martin
Barrett	Green	McCarran
Beall	Griswold	McCarthy
Bennett	Hayden	McClellan
Bricker	Hendrickson	Millikin
Bridges	Hennings	Monroney
Bush	Hickenlooper	Mundt
Butler, Md.	Hill	Murray
Butler, Nebr.	Hoey	Neely
Byrd	Holland	Pastore
Capehart	Humphrey	Payne
Carlson	Hunt	Potter
Case	Ives	Purtell
Chavez	Jackson	Robertson
Clements	Jenner	Russell
Cooper	Johnson, Colo.	Saltonstall
Cordon	Johnson, Tex.	Schoeppel
Daniel	Kefauver	Smathers
Dirksen	Kennedy	Smith, Maine
Douglas	Kerr	Smith, N. J.
Duff	Kilgore	Sparkman
Dworshak	Knowland	Stennis
Eastland	Kuchel	Symington
Ellender	Langer	Watkins
Ferguson	Lehman	Welker
Frear	Lennon	Wiley
Fulbright	Long	Williams
George	Magnuson	Young
Gillette	Malone	

The PRESIDING OFFICER (Mr. BUTLER of Maryland in the chair). A quorum is present.

The question is on agreeing to the amendment of the Senator from Nevada [Mr. MALONE].

The amendment was rejected.

The PRESIDING OFFICER. The question now recurs on agreeing to the committee amendment.

Mr. FERGUSON. Mr. President, the purpose of the Senator from Michigan and those of his colleagues who are interested in this matter is to retain in the bill language which was inserted on the floor of the House of Representatives.

Mr. MILLIKIN. Mr. President, will the Senator from Michigan yield?

Mr. FERGUSON. I yield to the Senator from Colorado.

Mr. MILLIKIN. I should like to ask what the parliamentary situation is.

Mr. FERGUSON. The question is on agreeing to the committee amendment on page 10, beginning in line 24. The Senator from Michigan hopes that the Senate will vote down the committee amendment, which is to strike out the language beginning on line 24, page 10, and continuing to and including line 7, on page 13.

Mr. President, this language, inserted by the House of Representatives, should remain in the bill. We believe that when an article is processed partly in the United States and sent to Canada, or any other foreign country, and then brought back into the United States, a tariff should be charged only on the added value of the article, instead of on the entire value. As the law stands today, labor may be performed in the United States on material that is produced in this country, then the combination in the form of an article may be sent to Canada, and when the article is brought back into this country a duty is assessed upon both the labor performed in the United States and the material produced in the United States, instead of on the added value of the article because of what has been done to it in the foreign country.

Mr. President, I hope the language inserted by the House of Representatives will be allowed to remain in the bill, in order that the bill may be returned to the House as it was passed by the House so far as this particular language is concerned. I trust the vote on the amendment will be in the negative.

Mr. MILLIKIN. Mr. President, the committee took out the language which came from the House primarily for a very simple reason. The committee decided that it did not have an opportunity to hear the witnesses who desired to be heard so that the committee could properly advise itself of what was involved, and of the proper action to be taken. That was the reason why the committee took the language out.

The committee has held many hearings in the past in which it has taken 3 or 4 weeks to consider arguments presented by witnesses for and against a proposal. The amendment under discussion is controversial. There are those who are very much opposed to the inclusion of the language and desire to be heard before it becomes law.

The Senate Committee on Finance did not pass on the merits of the question one way or the other. It decided it could not accept the provision because it did not have sufficient information, and because it could not hold the hearings which should be held because of the exigencies about what all Senators know.

Mr. President, I hope the Senate will sustain the committee in striking out the language. This is a simplification, a procedural improvement bill, which does not get into the subject of tariffs. If this bill were to get into tariffs, we can get some idea of what would be involved when I remind you that the House Ways and Means Committee, in working on a tariff bill recently, had over 200 witnesses. If we get into one tariff measure here, we shall have to go into others endlessly.

I suggest, Mr. President, that the committee did the right thing in considering that it had a customs procedural improvement bill before it, and that all tariff questions should be eliminated. That is what we did. I hope the Senate will sustain the committee's amendment.

**ADDED VALUE, NOT ADDED COST OF PROCESSING**

Mr. MALONE. Mr. President, I agree with the distinguished Senator from Colorado that if the House provision is to remain, the language referred to should be stricken out just as the Senate Finance Committee did strike it out.

However, an amendment is suggested by the senior and junior Senators from Michigan, substituting language suggested by the junior Senator from Nevada which changed the provision of the House bill so that a product coming back from Canada or from any other nation, for that matter, would pay on the added value of the article instead of only on the added value of the processing.

**INFLATION-RECIPROCAL TRADE—NEW SIMPLIFICATION**

If we charge only for the processing cost, if we get it through cheaper labor in Mexico or Canada, we are evading the very purpose of the tariff, which is to equalize the cost of production, of which labor is the greatest factor. The Senate just voted down an amendment containing the words "added value." So I believe that the paragraph should be stricken out as the Senate committee reported it.

I do not agree with the distinguished Senator from Colorado that we did not get into tariff changes. I believe we inadvertently did lower tariffs because of hidden provisions of the bill. What I object to is lowering the tariffs and duties under the guise of simplification, with no regard for the differential in the wages and living standards here and abroad.

That is the very crux of the matter. This so-called customs simplification bill is an added attack on the workers and investors of this Nation, like reciprocal trade, and the cheapening of our money through inflation to about one-third of its value. The whole economic structure has been attacked for 20 years, not by accident, Mr. President, but by design. The Congress has stood idly by and watched the past administration destroy the protection of the American investor and the American workingman of America.

**MANIPULATION OF CURRENCY FOR TRADE ADVANTAGE**

Mr. President, on one occasion we had a debate with reference to copper, and



at that time I placed a table in the RECORD showing the different values of the peso in Chile in terms of the American dollar.

There was a suggestion in the House bill that we use the export value. That provision, luckily, was eliminated. A country such as Chile, which has 7 different values of the peso, the value ranging from 19.37 to 127 pesos to the dollar, depending on the purpose for which they want to use the peso.

The official value was 31 pesos, having no relation whatever to the real value of the peso.

That is the same way in which almost every nation in the world manipulates its currency for trade advantage. It is because of these things that it is almost impossible for America to trade upon any equal basis.

The tariff represents a differential of cost of production due for the most part to the difference in the wage standard of living here and abroad. The members of the Senate Finance Committee had only a short time to consider this intricate proposed legislation. I believe that upon mature consideration we would find a fishhook in almost every paragraph.

Mr. GEORGE. Mr. President, I do not desire to discuss the merits of the amendment, but when we received the bill the committee went through it with a great deal of care. We eliminated section 15, for instance, which has to do with the valuation section of the tariff act. It affects duties. It might or might not adversely affect American enterprises, but we recognize that it was an intricate problem which had engaged Congress in all previous tariff-making for the past 50 years.

We eliminated section 15. We eliminated section 22 of the bill as it came from the House, in connection with the valuation of currencies, because that also was intricate and difficult to understand without lengthy hearings and without a most careful evaluation of the evidence on that question.

On this particular amendment we acted precisely from the same general motive, to wit, that if we did not strike certain language which we were advised went into the House bill from the House floor, we would be almost compelled to call witnesses who wished to be heard, and it would take considerable time to deal fairly and justly with that amendment.

For that reason, and for the same reason that section 15 is out and section 22 is out, on the question of currency valuation, this amendment was made by the committee.

I earnestly hope the Senate will sustain the committee on this amendment, so that we may at least hope to get a quick conference agreement with the House conferees.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment. [Putting the question.]

Mr. FERGUSON. Mr. President, I request a division.

On a division, the amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 5877) was read the third time and passed.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed, without amendment, the following bills of the Senate:

S. 247. An act for the relief of Frans Gunnink;

S. 385. An act for the relief of Anna Soleniani;

S. 754. An act for the relief of Ethel Hudson Morrison;

S. 781. An act for the relief of Dr. Jacob Griffel;

S. 815. An act for the relief of Steven M. Pivnicki;

S. 873. An act to amend the District of Columbia Credit Unions Act;

S. 953. An act for the relief of Mary Thalla Womack Webb;

S. 1197. An act granting the consent of Congress to the negotiation by the States of Nebraska, Wyoming, and South Dakota of certain compacts with respect to the use of waters common to two or more of said States;

S. 1273. An act to amend the act entitled "An act to incorporate the American University," approved February 24, 1893, so as to clarify the relations between the Board of Trustees of the American University and the Board of Education of the Methodist Church, and for other purposes;

S. 1393. An act to amend the District of Columbia Teachers' Leave Act of 1949;

S. 1791. An act for the relief of Leong Walk Hong; and

S. 1945. An act to amend the act entitled "An act to provide that the Board of Education of the District of Columbia shall have sole authority to regulate the vacation periods and annual leave of absence of certain school officers and employees of the Board of Education of the District of Columbia", approved March 5, 1952.

The message also announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H. R. 1459. An act for the relief of Mrs. Mildred G. Kates and Ronald Kates; and

H. R. 1963. An act for the relief of Annelese Schillings.

The message further announced that the House had agreed to the amendments of the Senate to the bill (H. R. 2824) to encourage the discovery, development, and production of tungsten ores, and concentrates in the United States, its Territories and possessions, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 1802) to amend the act of Congress approved March 4, 1915 (38 Stat. 1214), as amended.

The message further announced that the House had agreed to the report of

the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4828) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1954, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 16, 17, 25, 27, 42, and 47 to the bill, and concurred therein, and that the House had receded from its disagreement to the amendments of the Senate numbered 4, 20, 26, 29, 51, and 57, to the bill, and concurred therein, severally with an amendment, in which it requested the concurrence of the Senate.

#### AMENDMENT OF ACT OF SEPTEMBER 3, 1935, RELATING TO MENOMINEE INDIAN TRIBE OF WISCONSIN

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 2828) to amend the act of Congress of September 3, 1935 (49 Stat. 1085), as amended, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. WATKINS. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. BUTLER of Nebraska, Mr. WATKINS, Mr. DWORSHAK, Mr. ANDERSON, and Mr. SMATHERS conferees on the part of the Senate.

Mr. MILLIKIN. Mr. President, I ask unanimous consent that the bill (H. R. 5877) be printed with the Senate amendments numbered.

Second. That in the engrossment of the amendments of the Senate to the bill the Secretary of the Senate be authorized to make such changes in section, subsection, paragraph, and so forth, numbers and letters and cross-references thereto as may be necessary to the proper numbering and lettering of the bill.

Third. That the Secretary of the Senate make proper amendments to the table of contents to make the table conform to the bill and that all changes in the table of contents be embodied in one amendment and treated as the last numbered amendment.

#### ASSISTANCE IN MEETING FAMINE OR URGENT RELIEF NEEDS IN FRIENDLY COUNTRIES

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of Calendar 633, S. 2249, a bill to authorize the Commodity Credit Corporation to make agricultural commodities owned by it available to the President for the purpose of enabling the President to assist in meeting famine or other urgent relief requirements in countries friendly to the United States.



The motion was agreed to; and the Senate proceeded to consider the bill which had been reported from the Committee on Agriculture and Forestry, with an amendment to strike out all after the enacting clause and insert:

That, in order to enable the President to furnish emergency assistance on behalf of the people of the United States to friendly peoples in meeting famine or other urgent relief requirements, the Commodity Credit Corporation is authorized and directed to make available to the President out of its stocks such agricultural commodities as he may request for transfer (1) to any nation friendly to the United States in order to meet famine or other urgent relief requirements of such nation and (2) to friendly but needy populations without regard to the friendliness of their government providing that such commodities will be so distributed as to relieve actual distress among such populations. Not more than \$100 million (including the Corporation's investment in the commodities) shall be expended for all transfers under this section. The President may make such transfers through such agencies, in such manner, and upon such terms and conditions as he deems appropriate.

SEC. 2. For the purpose of making payment to the Commodity Credit Corporation for commodities disposed of hereunder, there are hereby authorized to be appropriated to the Commodity Credit Corporation, out of any moneys in the Treasury not otherwise appropriated, such sums as are equal to the Corporation's investment in such commodities, including handling costs, plus the costs incurred in making deliveries hereunder. Any assets available to the Commodity Credit Corporation may be used, in advance of such appropriations or payments, for carrying out the purposes of this act.

SEC. 3. No programs of assistance shall be undertaken under the authority of this act after March 15, 1954.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call may be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### LEGISLATIVE AND EXECUTIVE PROGRAM

Mr. KNOWLAND. Mr. President, for the information of the Senate I desire to announce that when we have concluded action on the unfinished business, Calendar 633, Senate bill 2249, I expect to request another quorum call, and then to call up the two treaties on the Executive Calendar. So far as I am aware, there is no controversy regarding the treaties.

Following action on the treaties, it is planned to have the Senate recess until 12 o'clock noon tomorrow, because, at the request of the senior Senator from Nevada [Mr. McCARRAN], the consideration of the emergency refugee legislation has been postponed until tomorrow.

Tomorrow it is proposed to take up the military public works bill, which has been reported by the Committee on Armed Services, and the emergency refugee bill. There may be other bills to be considered, but I shall make announcement as to them later in the day.

Although I had previously announced that the legislative appropriation bill would be taken up tomorrow, it will not be ready to be taken up until Wednesday.

Again I say that it is proposed that the Senate shall meet at 12 o'clock noon tomorrow.

It is proposed to have the Senate meet at 10 o'clock on Wednesday morning. At that time we shall take up, first, the legislative appropriation bill, which will be followed by the mutual aid appropriation bill. I hope that by Wednesday there will also be available the conference report on the Continental Shelf bill.

On Thursday morning the Senate will meet at 10 o'clock, and take up the supplemental appropriation bill, which will be the last of the appropriation bills necessary to clear both Houses before adjournment. I hope it will be possible to take up also by Thursday the conference report on the reciprocal trade bill.

That will leave Friday reasonably clear for some proposed legislation which may be reported by committees by that time, still with the target of sine die adjournment by midnight on Friday.

As I have mentioned, when we conclude with the bill which has been made the unfinished business, we shall proceed to take up the two treaties.

I call the attention of the minority leader to the fact that it is proposed to take up two additional bills which are on the calendar, one today, the other probably tomorrow.

Calendar 643, Senate bill 2475, a bill to authorize the President to use agricultural commodities to improve the foreign relations of the United States, and for other purposes, will probably not be called up until tomorrow.

There is also an additional measure, Senate Resolution 150, reported by the Committee on Foreign Relations, relative to disarmament. Those two measures I hope to call up tomorrow when the Senate convenes.

Mr. HUMPHREY. Mr. President, if the Aiken bill and the emergency food aid bill are disposed of this afternoon, may I ask the distinguished majority leader if it is proposed to proceed then with Calendar No. 643, Senate bill 2475, and Calendar No. 623, Senate Resolution 150?

Mr. KNOWLAND. No. After we have concluded with the unfinished business, we shall proceed to the consideration of the treaties on the executive calendar.

Mr. HUMPHREY. And then take a recess?

Mr. KNOWLAND. Except for the conference report on the Interior appropriations bill, which is now at the desk, but which I assured the distinguished minority leader, the senior Senator from Texas [Mr. JOHNSON], I would not call up until I had given notice. I believe there is no major controversy with respect to the conference report, but, in any event, I do not propose to call it up without a quorum call, so that the minority leader may be notified. He has been notified that it is the intention to take up the conference report today.

The PRESIDING OFFICER. The Chair is advised that the conference re-

port to which the Senator from California has referred has not yet been received.

Mr. KNOWLAND. I understand it has been agreed to by the House, and probably will be here by the time the Senate is ready to consider it.

#### CONSTRUCTION AT MILITARY AND NAVAL INSTALLATIONS

Mr. CASE. Mr. President, the report is being prepared on the military public-works construction bill. The clerk advises me that it may be an hour before it is ready. I am a little apprehensive, the way the Senate is moving, that it may possibly recess before we have an opportunity to file the report.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the Committee on Armed Services may have until midnight tonight to report that bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from California?

Mr. CASE. We wish to report a clean print. That is ready and can be presented at any time. It is a revision of Senate bill 2361. We thought it would save the time of the Senate if, instead of having a great many perfecting amendments, we had a clean print. So we wish to report that as a substitute for the military public-works construction bill. We have incorporated in it also the proposed rescission bill, and also the Alaskan communications bill, so it is really three bills in one.

Mr. KNOWLAND. The only thing I wish to be certain about, as I have assured the Senate heretofore, is that the bill is not taken up until the printed report is available.

Mr. CASE. I think the report will be ready within an hour.

The PRESIDING OFFICER. Is there objection to the request of the Senator from California? The Chair hears none, and it is so ordered.

Mr. CASE subsequently said: Mr. President, from the Committee on Armed Services, I ask unanimous consent to report an original bill to authorize certain construction at military and naval installations, and for the Alaska Communication System, and for other purposes, and I submit a report (No. 674) thereon.

The PRESIDING OFFICER. Without objection, the report will be received, and the bill will be placed on the calendar.

The bill (S. 2491) to authorize certain construction at military and naval installations, and for the Alaska Communication System, and for other purposes, was received, read twice by its title, and placed on the calendar.

#### ASSISTANCE IN MEETING FAMINE OR URGENT RELIEF NEEDS IN FRIENDLY COUNTRIES

The Senate resumed the consideration of the bill (S. 2249) to authorize the Commodity Credit Corporation to make agricultural commodities owned by it available to the President for the purpose of enabling the President to assist in meeting famine or other urgent relief







"The House Committee on Agriculture drew plans today to go into all the principal agricultural regions of the country to hear from farmers at the grass roots what kind of program for Agriculture they want when the present farm law dies at the end of 1954.

"The...group decided to hold hearings in New England and in the Pennsylvania-New Jersey vegetable producing area in August and then in early October strike out from Washington on a six-weeks study that will extend to the Pacific and from the Canadian border to Mexico.

"Rep. ...Hope...said 'we intend to study all phases of the program we now have and any new proposals that promise solutions for the many problems of agriculture...'

Rep. ...Hoeven...was named Chairman of a subcommittee to work out the exact route the committee will travel...and the places and dates..."

The statement indicates that the study will include price supports, foreign-trade expansion, soil conservation, flood prevention, crop insurance, and farm credit.

13. FORESTRY; FAMINE RELIEF; WHEAT AGREEMENT. The Rules Committee reported resolutions for consideration of H. R. 5603, to authorize national banking associations to make loans on forest tracts; H. R. 6016, to make CCC commodities available to the President to meet famine or other urgent relief needs in friendly countries; and S. J. Res. 97, to implement the International Wheat Agreement Act (p. 10400).
14. FUR LOANS; FOREST SURVEY; ANIMAL DISEASES. The Agriculture Committee reported without amendment S. 1152, to extend for 5 years authority to make loans to fur farmers (H. Rept. 1013); S. 725, authorizing a survey of Alaska forest resources (H. Rept. 1012); and S. 2055, to authorize control and eradication of scrapie and blue-tongue in sheep and minor outbreaks of other animal disease which may result in larger outbreaks (H. Rept. 1014)(p. 10400).
15. APPROPRIATIONS. Received the conference report on H. R. 5969, the defense appropriation bill for 1954 (H. Rept. 1015)(pp. 10397-8).
16. TAXATION; PAYROLLING. The Rules Committee reported a resolution for consideration of H. R. 6413, to permit the Federal Government to withhold from employees' wages certain municipal taxes (p. 10400).
17. PENALTY MAIL. The Post Office and Civil Service Committee reported with amendment H. R. 6281, to abolish free transportation of official Government mail matter, etc. (H. Rept. 1004)(p. 10400).
18. RECLAMATION. The Interior and Insular Affairs Committee reported with amendment H. R. 4854, to authorize Foster Creek division irrigation works, Chief Joseph Dam (H. Rept. 1016)(p. 10400).
19. POSTAL RATES. The "Daily Digest" states (regarding H. R. 6052, the postal-rate increase bill) that Chairman Rees of the Post Office and Civil Service Committee "announced today that action on postal-rate readjustments has been suspended" (p. D795).
20. RUBBER. Agreed to the conference report on F. R. 5728, to authorize disposal of Government-owned rubber facilities (pp. 10334-7).
21. PROPERTY. Passed without amendment H. R. 6382, to extend until June 30, 1954 the period during which the GSA may conduct negotiated sales of surplus property (p. 10326).



22. IMMIGRATION. Passed with amendments H. R. 6481, to authorize entry of refugees, etc., into this country (pp. 10337-90).
23. CUSTOMS SIMPLIFICATION. Agreed to the Senate amendments to H. R. 5877, the customs-simplification bill (pp. 10395-6). This bill will now be sent to the President.
24. LAND TRANSFER. The Agriculture Committee ordered reported (but did not actually report) S. 2163, to authorize conveyance of certain land in the U. S. cotton field station near Statesville, N. C. The "Daily Digest" states that "This measure will be acted on in lieu of a similar House bill (H. R. 5888) which was passed yesterday, with a request made that said House proceedings be vacated." (p. D794.)
25. LEGISLATIVE PROGRAM. The "Daily Digest" states that the House will act on the conference report on the defense department appropriation bill; and will probably also consider H. R. 6016, the famine-relief bill, and S. J. Res. 97, to implement the International Wheat Agreement (p. D794).

#### BILLS INTRODUCED

26. PROPERTY. H. R. 6574, by Rep. Bennett, Fla., and H. J. Res. 312, by Rep. Campbell, to amend section 203 (j) of the Federal Property and Administrative Services Act of 1949, as amended, to permit the disposal of surplus property to State health departments and to county mosquito control districts; to Committee on Government Operations (p. 10401).
27. VETERANS' BENEFITS. H. R. 6582, by Rep. Ayres, to liberalize the direct home loan program under title III of the Servicemen's Readjustment Act of 1944, as amended, in behalf of certain disabled veterans; to Veterans' Affairs Committee (p. 10401).
28. PERSONNEL. H. R. 6583, by Rep. Hagen, Minn., and H. R. 6589, by Rep. Patten, to establish a Federal Recreation Service in the Department of Health, Education, and Welfare; to Education and Labor Committee (p. 10401).
29. RETIREMENT. H. R. 6588, by Rep. Mack, Wash., to extend the Federal old-age and survivors insurance system to farmers and to broaden the coverage of such system in the case of agricultural laborers; to Ways and Means Committee (p. 10401).

#### ITEMS IN APPENDIX

30. FAMINE RELIEF. Sen. Langer inserted a statement by John Baker, National Farmers Union, before the S. Agriculture and Forestry Committee, in favor of the famine relief bill, and urging a careful study of the various plans put forward for use of surplus agricultural products (p. A4957).
31. ELECTRIFICATION. Rep. Angell inserted a debate appearing in the Sunday Portland Journal on the question of who should build the Hells Canyon Dam (pp. A4958-60).  
Rep. Price inserted a Progressive article entitled "Eisenhower Betrays the TVA" (pp. A4969-70).
32. PROPERTY SEIZURE. Extension of remarks by Rep. Celler opposing S. J. Res. 3, proposing a constitutional amendment prohibiting the President from taking private property at any time other than in the manner prescribed by statute law (p. A4961).



Page 2, line 4, strike out "1953" and insert "1953 and before July 1955."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read "A bill to provide wage credits under title II of the Social Security Act for military service before July 1, 1955, and to extend the time for filing application for lump-sum death payments under such title with respect to the death of certain individuals dying in the service who are reinterred."

A motion to reconsider was laid on the table.

(Mr. COOPER asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. COOPER. Mr. Speaker, H. R. 4151 was reported unanimously by the Committee on Ways and Means. It extends for 18 months, from January 1, 1954, to July 1, 1955, the period during which servicemen receive wage credits at the rate of \$160 a month for social security insurance purposes.

The reason for an extension to July 1, 1955, is that the Draft Act expires on that date, and by that time an overall study of Federal retirement systems will have been completed and recommendations submitted to the Congress.

Present law grants veterans wage credits at the rate of \$160 a month for each month of active duty between September 16, 1940, and January 1, 1954. Congress granted this wage credit for the reason that it felt that it would be unfair to penalize servicemen who go on active duty and who in many instances without this wage credit would lose their insurance rights under the old-age and survivors insurance system.

I urge that the bill be passed.

Mr. REED of New York. Mr. Speaker, under the old-age and survivors insurance system, individuals who have served in the active military or naval service of the United States at any time since September 14, 1940, are, under certain circumstances, provided wage credits under the system of \$160 per month for each month—or part thereof—of such service. These credits are provided without any payment of taxes or the appropriation of any funds to the Old-Age and Survivors Insurance Trust Fund. Under the existing provisions, however, these wage credits will be provided only for the service performed prior to January 1, 1954. H. R. 4151 extends this provision so that it will apply to service performed prior to July 1, 1955.

Extension of this provision is desirable as a temporary measure pending formulation of a long-range solution to the problem of what to do about retirement and related benefits for military personnel.

The bill also extends the provision of the old-age and survivors insurance system under which the 2-year period, for filing claims for lump-sum death payments in case of reburial in this country of servicemen dying overseas, begins to run from the date of reburial in this country instead of from the date of

death overseas. This provision now applies only in cases of deaths prior to January 1, 1954. The bill extends this provision to cases of deaths occurring before July 1, 1955.

#### AMEND CERTAIN ADMINISTRATIVE PROVISIONS OF THE TARIFF ACT OF 1930

Mr. JENKINS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 5877) to amend certain administrative provisions of the Tariff Act of 1930 and related laws, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 8, strike out lines 9 and 10, and insert:

#### "PROCEDURE FOR CUSTOMS EXAMINATION OF CERTAIN COMMODITIES"

Page 8, after line 24, insert:

"(c) Paragraph 783 of the Tariff Act of 1930, as amended (U. S. C., 1946 ed., title 19, sec. 1001, par. 783), is amended by inserting '(a)' after '783,' and by adding thereto the following new subsection:

"(b) Under regulations prescribed by the Secretary of the Treasury, the staple length of cotton shall be determined for all customs purposes by application of the Official Cotton Standards of the United States for length of staple, as established by the Secretary of Agriculture and in effect when the determination is to be made."

Page 9, line 10, strike out "(a)."

Page 10, strike out all after line 11 over to and including line 21 on page 12.

Page 24, line 23, strike out "that" and insert "That."

Page 25, line 1, after "of" where it appears the first time insert "temporary."

Page 25, line 2, after "preparation" insert "(without permanent repair or alteration)."

Page 26, line 12, strike out "EXEMPTION" and insert "EXEMPTIONS."

Page 29, strike out all after line 8 over to and including line 2 on page 37.

Page 37, line 4, strike out "16" and insert "15."

Page 37, line 20, strike out "17" and insert "16."

Page 39, line 9, strike out "18" and insert "17."

Page 39, line 23, strike out "19" and insert "18."

Page 41, line 13, strike out "20" and insert "19."

Page 44, line 2, strike out "21" and insert "20."

Page 44, strike out all after line 22 over to and including line 9 on page 47.

Page 47, line 11, strike out "23" and insert "21."

Page 49, line 18, strike out "24" and insert "22."

Page 50, line 6, strike out "25" and insert "23."

Amend the table of contents to read as follows:

#### "TABLE OF CONTENTS"

- "Sec. 1. Short title and effective date.
- "Sec. 2. Repeal of obsolete accounting provisions.
- "Sec. 3. Effective dates of rates of duty.
- "Sec. 4. Marking.
- "Sec. 5. Transportation of lead-bearing and zinc-bearing ores.
- "Sec. 6. Repeal of certain obsolete reciprocal provisions.
- "Sec. 7. American goods returned.
- "Sec. 8. Free entry provision for travelers.

"Sec. 9. Free entry for noncommercial exhibitions.

"Sec. 10. Temporary free entry for samples and other articles under bond.

"Sec. 11. Supplies and equipment for vessels and aircraft.

"Sec. 12. Drawback.

"Sec. 13. Administrative exemptions.

"Sec. 14. International traffic and rescue work.

"Sec. 15. Signing and delivery of manifests.

"Sec. 16. Certified invoices and entry of merchandise.

"Sec. 17. Verification of documents.

"Sec. 18. Amendment of entries.

"Sec. 19. Commingled merchandise.

"Sec. 20. Correction of errors and mistakes.

"Sec. 21. Transfers of goods in bonded warehouse.

"Sec. 22. Customs supervision.

"Sec. 23. Saving clause."

(Mr. JENKINS asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. JENKINS. Mr. Speaker, H. R. 5877, is the bill commonly referred to as the customs simplification bill. The other body made some rather substantial changes in the bill as passed by the House.

The other body deleted section 15 having to do with the method of determining dutiable value and section 22 having to do with the establishment of a foreign currency exchange rate for duty purposes. Both of these sections were recommended by the Treasury and approved by the Committee on Ways and Means after considerable study. They were somewhat controversial. In view of the inability of the other body to hold hearings on this bill, these two sections were deleted pending further study next session.

The other body also deleted section 7 (b). This was an amendment adopted on the floor of the House. It was an amendment approved by the Ways and Means Committee. The amendment would allow the reimportation of products exported and changed in value without payment of duty except on the increase in value added abroad.

The other body also made a clarifying amendment to section 11, paragraph (c). This section provided for the use in ships of equipment or materials used as dunnage for cargo or for packing materials being shipped. The amendment would provide for the duty-free use of these materials only when they were being used for temporary devices for the control of ships' cargo.

The other body also adopted an amendment to section 5 which would provide essentially the same type of regulations for the determination of the dutiable value of imported cotton as presently apply to wool. This amendment would allow the Secretary of the Treasury to adopt the standards for length of staple established by the Secretary of Agriculture. The title of this section was altered to accommodate this amendment.

I believe that the other body was wrong in deleting the three sections I have described previously. They were adopted by the Ways and Means Committee after extensive hearings and prolonged study. If time permitted, I would certainly ask that this House in-



sist on its own bill and disagree with the three amendments in question. However, I am convinced that, if this bill is to become law this session, this House has no alternative but to concur in the amendments. We have been assured that the deleted sections will receive study by the Finance Committee next session. Therefore, in view of the importance of this long-awaited customs simplification legislation becoming law this session, I ask that the House concur in the Senate amendments.

A bill has been introduced today embodying the three provisions stricken by the other body. It is my hope that our committee will report that bill tomorrow. This action will insure that these provisions will receive consideration next session.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Senate amendments were concurred in, and a motion to reconsider was laid on the table.

#### INCOME TAX EXEMPTIONS FOR CERTAIN MEMBERS OF THE ARMED FORCES

Mr. COOPER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4152) to extend the time for exemption from income taxes for certain members of the Armed Forces, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

After line 11 insert:

"SEC. 3. (a) That the third sentence of section 25 (b) (3) of the Internal Revenue Code, relating to the definition of dependent, is amended to read as follows: 'For the purposes of determining whether any of the foregoing relationships exist (1) a legally adopted child of a person or (2) a child for which petition for adoption was filed by a person in the appropriate court and denied because of mental incapacity of surviving natural parent to agree to such adoption, shall be considered a child of such person by blood.'

"(b) The provisions of subsection (a) shall be applicable to taxable years beginning after December 31, 1945."

Amend the title so as to read: "An act to extend the time for exemption from income taxes for certain members of the Armed Forces, and for other purposes."

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Senate amendments were concurred in, and a motion to reconsider was laid on the table.

(Mr. COOPER asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. COOPER. Mr. Speaker, the amendment relates to the definition of a dependent under section 25 (b) (3) of the Internal Revenue Code. In some cases it has developed that the person supporting a child has filed a petition for its adoption in the appropriate court

but such petition has been denied because of the mental incapacity of the surviving natural parent to agree to the adoption. The amendment would permit the person supporting the child in such cases the right to claim the child as a dependent despite the inability of the surviving natural parent to agree to such adoption.

#### COMPENSATION OF CERTAIN HOUSE EMPLOYEES

Mr. HALLECK. Mr. Speaker, I offer a privileged resolution (H. Res. 364) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That effective August 1, 1953, House Resolution 78 of the 83d Congress is amended by striking out the figure "\$4,740" and inserting in lieu thereof "\$5,000."

The resolution was agreed to, and a motion to reconsider was laid on the table.

#### SOUTH BLOCKS AID FOR LABOR-SURPLUS AREAS

The SPEAKER. Under previous order of the House, the gentleman from Massachusetts [Mr. LANE] is recognized for 10 minutes.

(Mr. LANE asked and was given permission to revise and extend his remarks.)

Mr. LANE. Mr. Speaker, for over 20 years, New England has been patient, seeing billions of dollars in tax money taken from this region and used by the Federal Government to build up the economies of the West and the South.

That was all right with us, because we like to see everybody get ahead.

Proud of our independence and self-reliance, we did not demand and get public power developments, atomic energy plants, or any other form of liberality from the generosity of Congress.

We even helped to subsidize agriculture, asking no special favors for ourselves.

When the textile recession came, closing many textile mills and putting tens of thousands of people out of work, in the midst of a national boom, it hit New England hard. The labor-surplus problem assumed chronic proportions in the Northeast.

We did not ask for a dole or for a WPA.

We only asked for work—productive work to meet Government's procurement needs until we could effect transition in our economy.

The formula we suggested was one that would channel Government orders for textiles to labor-surplus areas, and only as long as they remained in that category.

It was not a give-away program.

It was not a one-way grab by a monopoly.

To us, it was an emergency measure to secure some Government work for our large numbers of unemployed textile workers who were desperately in need of it. I shall not quote again the distressing facts and figures, because they have been quoted so many times that

only an illiterate person could fail to understand them.

We asked for disaster relief many times and received none.

To go further—and make certain that we would never receive any—sectional elements in the Senate jammed through a rider to the defense money bill that says in effect: "We want all. You will get nothing."

The conference report on the Department of Defense appropriations for 1954 will be passed with this amendment that isolates New England from hopes of getting emergency contracts. If one dares to protest, he may be accused of putting unemployed ahead of adjournment or national defense.

Yes, it is all cooked up and salted away.

While New Englanders wonder how far this sectionalism will go in refusing to give them any consideration.

I know that the votes are stacked against labor-surplus areas on this issue, but you may wonder why we still protest.

For the record? Not just that.

A last minute appeal to conscience? Well, there is always the possibility of an alternative plan, however.

Perhaps the South can suggest how it will cooperate in another way to help us with our problem, as we have voted to help others on so many occasions.

We would welcome their understanding, advice, and support.

You say it is too late in this session.

At least a pledge of parallel aid would be appreciated.

For instance, extra grants for extended unemployment compensation in labor-surplus areas. Or an amendment of the Walsh-Healey Public Contracts Act enabling the Secretary of Labor to determine prevailing minimum wages on an industry, or nationwide basis, as applied to Federal contracts.

Maybe a belated share of defense installations now in the blueprint stage to provide work for the unemployed.

To be consistent about it, we might also approve of a stockpiling program to assist distressed textile mills similar to the farm surpluses brought up by the Government without any pious protests that such a method is unconstitutional or wasteful.

You have blocked the channeling of orders to areas of heavy unemployment, while still professing concern for idle plants and the more serious problem of idle manpower.

This is a negative and short-sighted attitude.

It will not become constructive until you actively support us on an alternative plan whereby the Federal Government will do its part to arrest the local depressions which appear as black spots on the otherwise healthy face of our economy.

Certificates of necessity issued to firms that plan to locate or expand in transitional communities so as to avail themselves of skilled labor that needs employment is another approach.

The possibilities are many—you have your choice.

There is no question of free enterprise involved when the Federal Government







Public Law 243 - 83d Congress  
Chapter 397 - 1st Session  
H. R. 5877

AN ACT

All 67 Stat. 507.

To amend certain administrative provisions of the Tariff Act of 1930 and related laws, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

Customs Simpli-  
fication Act of  
1953.

SHORT TITLE AND EFFECTIVE DATE

SECTION 1. This Act may be cited as the "Customs Simplification Act of 1953" and shall be effective, except as otherwise specially provided for, on and after the thirtieth day following the date of its enactment.

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- Sec. 23. Saving clause.

REPEAL OF OBSOLETE ACCOUNTING PROVISIONS

SEC. 2. (a) The following sections of the Revised Statutes (relating to obsolete functions of customs officers and functions of such officers now provided for by other laws) are hereby repealed:

Revised Statutes 2621, as amended (U. S. C., 1946 edition, title 19, sec. 33).

Revised Statutes 2622, as amended (U. S. C., 1946 edition, title 19, sec. 34).

Revised Statutes 2623, as amended (U. S. C., 1946 edition, title 19, sec. 35).

Revised Statutes 2626, as amended (U. S. C., 1946 edition, title 19, sec. 39).

Revised Statutes 2639, as amended (U. S. C., 1946 edition, title 19, sec. 42).

Revised Statutes 2640, as amended (U. S. C., 1946 edition, title 19, sec. 43).

Revised Statutes 2641, as amended (U. S. C., 1946 edition, title 19, sec. 44).

Revised Statutes 2643, as amended (U. S. C., 1946 edition, title 19, sec. 45).

(b) Section 439 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1439) is amended by deleting "the comptroller of customs for the district in which the port of entry is located" and substituting 46 Stat. 712.

All 67 Stat. 508.

therefor "such employee as the Secretary of the Treasury shall designate", and by deleting "said comptroller of customs" and substituting therefor "such employee designated by the Secretary".

46 Stat. 712. (c) Section 440 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1440) is amended by deleting "the comptroller of customs for the district in which the port of entry is located" and substituting therefor "such employee as the Secretary of the Treasury shall designate".

46 Stat. 740. (d) Section 523 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1523) is amended to read as follows:

**"SEC. 523. EXAMINATION OF ACCOUNTS.**

"The Secretary of the Treasury or such officer or employee as he shall designate, shall, under regulations and instructions prescribed by the Secretary—

"(1) examine the collectors' accounts of receipts and disbursements of money and receipts and disposition of merchandise; and

"(2) verify, to such extent as the Secretary of the Treasury shall direct, assessments of duties and taxes and allowances of drawback."

**EFFECTIVE DATES OF RATES OF DUTY**

46 Stat. 695. SEC. 3. (a) Section 315 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1315), is further amended to read as follows:

**"SEC. 315. EFFECTIVE DATES OF RATES OF DUTY.**

"(a) Except as otherwise specially provided for, the rate or rates of duty imposed by or pursuant to this Act or any other law on any article entered for consumption or withdrawn from warehouse for consumption shall be the rate or rates in effect when the documents comprising the entry for consumption or withdrawal from warehouse for consumption and any estimated or liquidated duties then required to be paid have been deposited with the appropriate customs officer in the form and manner prescribed by regulations of the Secretary of the Treasury, except that—

"(1) any article released under an informal mail entry shall be subject to duty at the rate or rates in effect when the preparation of the entry is completed; and

46 Stat. 742.  
19 USC 1552. "(2) any article which is not subject to a quantitative or tariff-rate quota and which is covered by an entry for immediate transportation made at the port of original importation under section 552 of this Act, if entered for consumption at the port designated by the consignee, or his agent, in such transportation entry without having been taken into the custody of the collector under section 490 of this Act, shall be subject to the rate or rates in effect when the transportation entry was accepted at the port of original importation.

"(b) Any article which has been entered for consumption but which, before release from customs custody, is removed from the port or other place of intended release because of inaccessibility, over-carriage, strike, act of God, or unforeseen contingency, shall be subject to duty at the rate or rates in effect when the entry for consumption and any required duties were deposited in accordance with subsection (a) of this section, but only if the article is returned to such port or place within ninety days after the date of removal and the identity of the article as that covered by the entry is established in accordance with regulations prescribed by the Secretary of the Treasury.

62 Stat. 344.  
19 USC 1001  
par. 813. "(c) Insofar as duties are based upon the quantity of any merchandise, such duties shall, except as provided in paragraph 813 and

section 562 of this Act (relating respectively to certain beverages and to manipulating warehouses), be levied and collected upon the quantity of such merchandise at the time of its importation. 46 Stat. 745.  
19 USC 1562.

“(d) No administrative ruling resulting in the imposition of a higher rate of duty or charge than the Secretary of the Treasury shall find to have been applicable to imported merchandise under an established and uniform practice shall be effective with respect to articles entered for consumption or withdrawn from warehouse for consumption prior to the expiration of thirty days after the date of publication in the weekly Treasury Decisions of notice of such ruling; but this provision shall not apply with respect to the imposition of antidumping duties.”

(b) Section 484 (f) of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1484 (f)), is further amended by changing the period at the end to a semicolon and adding “except that, in the case of articles not subject to a quantitative or tariff-rate quota, entry for the entire quantity covered by an entry for immediate transportation made under section 552 of this Act may be accepted at the port of entry designated by the consignee, or his agent, in such entry after the arrival of any part of such quantity at such designated port or at such other place of deposit as may be authorized in accordance with regulations prescribed by the Secretary of the Treasury.” 46 Stat. 723;  
52 Stat. 1083.  
46 Stat. 742.  
19 USC 1552.

#### MARKING

SEC. 4. (a) Paragraphs 28, 354, 355, 357, 358, 359, 360, 361, and 1553 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1001, pars. 28, 354, 355, 357, 358, 359, 360, 361, and 1553) are amended as follows:

Paragraph 28 is amended by deleting from subparagraph (f) “the immediate container and”. 46 Stat. 594.

Paragraph 354 is amended by deleting the second proviso. 46 Stat. 618.

Paragraphs 355, 357, 358, 359, 360, and 361 are amended by deleting the provisos. 46 Stat. 619,  
620.

Paragraph 1553 is amended by deleting both provisos. 46 Stat. 671.

(b) The following sections of the Revised Statutes are repealed: Repeals. 46 Stat. 618.

Revised Statutes 2934 (U. S. C., 1946 edition, title 19, sec. 134).

Revised Statutes 2885 (U. S. C., 1946 edition, title 19, sec. 273).

Revised Statutes 2886 (U. S. C., 1946 edition, title 19, sec. 274).

(c) Section 304 (a) (3) of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1304 (a) (3)), is further amended by deleting “or” at the end of subdivision (I); by changing the period at the end of subdivision (J) to a semicolon and by adding “or”; and by adding a new subdivision (K) as follows: 52 Stat. 1077.

“(K) Such article cannot be marked after importation except at an expense which is economically prohibitive, and the failure to mark the article before importation was not due to any purpose of the importer, producer, seller, or shipper to avoid compliance with this section.”

#### PROCEDURE FOR CUSTOMS EXAMINATION OF CERTAIN COMMODITIES

SEC. 5. (a) Paragraph 391 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1001, par. 391), is further amended by changing the colon at the end of the first proviso to a period; and by amending the rest of the paragraph to read as follows: “The Secretary of the Treasury is authorized to make all necessary regulations to enforce the provisions of this paragraph.” 46 Stat. 628.



All 67 Stat. 510.

46 Stat. 628. (b) Paragraph 393 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1001, par. 393), is further amended by changing the colon at the end of the first proviso to a period; and by amending the rest of the paragraph to read as follows: "The Secretary of the Treasury is authorized to make all necessary regulations to enforce the provisions of this paragraph."

46 Stat. 639. (c) Paragraph 783 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1001, par. 783), is amended by inserting "(a)" after "783." and by adding thereto the following new subsection:

"(b) Under regulations prescribed by the Secretary of the Treasury, the staple length of cotton shall be determined for all customs purposes by application of the Official Cotton Standards of the United States for length of staple, as established by the Secretary of Agriculture and in effect when the determination is to be made."

#### REPEAL OF CERTAIN OBSOLETE RECIPROCAL PROVISIONS

46 Stat. 640. SEC. 6. (a) Paragraph 812 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1001, par. 812) is amended by deleting the proviso (relating to the importation of spirits in certain containers).

46 Stat. 696. (b) Section 320 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1320), relating to reciprocal agreements covering advertising matter, is repealed.

#### AMERICAN GOODS RETURNED

52 Stat. 1092. SEC. 7. Paragraph 1615 (f) of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1201, par. 1615 (f)), is further amended by adding at the end thereof the following new sentences: "When because of the destruction of customs records or for other cause it is impracticable to establish whether drawback was allowed, or to determine the amount of drawback allowed, on a reimported article excepted under subparagraph (e), there shall be assessed thereon an amount of duty equal to the estimated drawback and internal-revenue tax which would be allowable or refundable if the imported merchandise used in the manufacture or production of the reimported article were dutiable or taxable at the rate applicable to such merchandise on the date of importation, but in no case more than the duty and tax that would apply if the article were originally imported. In order to facilitate the ascertainment and collection of the duty provided for in this subparagraph, the Secretary of the Treasury is authorized to ascertain and specify the amounts of duty equal to drawback or internal-revenue tax which shall be applied to articles or classes or kinds of articles, and to exempt from the assessment of duty articles or classes or kinds of articles excepted under subparagraph (e) with respect to which the collection of such duty involves expense and inconvenience to the Government which is disproportionate to the probable amount of such duty."

#### FREE ENTRY PROVISIONS FOR TRAVELERS

46 Stat. 683. SEC. 8. Paragraph 1798 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1201, par. 1798), is further amended to read as follows:

"PAR. 1798. (a) Professional books, implements, instruments, and tools of trade, occupation, or employment, when imported by or for the account of any person arriving in the United States by whom or for whose account they were taken abroad.

“(b) In the case of any person arriving in the United States who is not a returning resident thereof—

“(1) wearing apparel, articles of personal adornment, toilet articles, and similar personal effects; all the foregoing, if actually owned by and in the possession of such person abroad at the time of or prior to his departure for the United States, and if appropriate for his own personal use and intended only for such use and not for any other person nor for sale;

“(2) automobiles, trailers, aircraft, motorcycles, bicycles, baby carriages, boats, horse-drawn conveyances, horses, and similar means of transportation, and the usual equipment accompanying the foregoing; any of the foregoing imported in connection with the arrival of such person and to be used in the United States only for the transportation of such person, his family and guests, and such incidental carriage of articles as may be appropriate to his personal use of the conveyance; and

“(3) not exceeding \$200 in value of articles accompanying such a person who is in transit to a place outside United States customs territory and who will take the articles with him to such place.

“(c) In the case of any person arriving in the United States who is a returning resident thereof—

“(1) all personal and household effects taken abroad by him or for his account and brought back by him or for his account; and

“(2) articles (including not more than one wine gallon of alcoholic beverages and not more than one hundred cigars) acquired abroad as an incident of the journey from which he is returning, for his personal or household use, but not imported for the account of any other person nor intended for sale, if declared in accordance with regulations of the Secretary of the Treasury, up to but not exceeding in aggregate value—

“(A) \$200, if such person arrives from a contiguous country which maintains a free zone or free port (see subparagraph (d)), or arrives from any other country after having remained beyond the territorial limits of the United States for a period of not less than forty-eight hours, and in either case has not claimed an exemption under this subdivision (A) within the thirty days immediately preceding his arrival; and

“(B) \$300 in addition, if such person has remained beyond the territorial limits of the United States for a period of not less than twelve days and has not claimed an exemption under this subdivision (B) within the six months immediately preceding his arrival.

“(d) In the case of persons arriving from a contiguous country which maintains a free zone or free port, if the Secretary of the Treasury deems it necessary in the public interest and to facilitate enforcement of the requirement that the exemption shall apply only to articles acquired as an incident of the foreign journey, he shall prescribe by regulation or instruction, the application of which may be restricted to one or more ports of entry, that the exemption authorized by subdivision (2) (A) of subparagraph (c) shall be allowed only to residents who have remained beyond the territorial limits of the United States for not less than a specified period, not to exceed twenty-four hours, and after the expiration of ninety days after the date of such regulation or instruction allowance of the said exemption shall be subject to the limitations so prescribed.

"(e) Any article imported to replace a like article of comparable value previously exempted from duty under subdivision (c) of this paragraph shall be allowed free entry if the article previously exempted shall have been exported, under such supervision as the Secretary may prescribe, within sixty days after its importation because it was found by the importer to be unsatisfactory.

"(f) All articles exempted by this paragraph from the payment of duty shall be exempt also from the payment of any internal-revenue tax imposed upon or by reason of importation.

"(g) If any jewelry or similar articles of personal adornment having a value of \$300 or more which have been exempted from duty under subdivision (1) of subparagraph (b) or any article which has been exempted from duty under subdivision (2) (B) of subparagraph (c) is sold within three years after the date of importation, or if any article which has been exempted from duty under subdivision (2) of subparagraph (b) is sold within one year after the date of importation, without prior payment to the United States of the duty which would have been payable at the time of entry if the article had been entered without the benefit of this paragraph, such article, or its value (to be recovered from the importer), shall be subject to forfeiture. A sale pursuant to a judicial order or in liquidation of the estate of a decedent shall not be subject to the provisions of this subparagraph.

"(h) The Secretary of the Treasury shall prescribe methods and regulations for carrying out the provisions of this paragraph. No exemption provided for in this paragraph shall be applied to any article which is not declared in accordance with such regulations."

#### FREE ENTRY FOR NONCOMMERCIAL EXHIBITIONS

46 Stat. 684. SEC. 9. (a) Paragraph 1809 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1201, par. 1809), is amended by inserting "within five years after the date of entry hereunder" after "used contrary to this provision"; by inserting "within such five-year period" after "at any time"; and by deleting "and the preceding".

(b) The conditions of any bond in force on the effective date of this Act in respect of articles previously entered under the provisions of paragraph 1809 or the corresponding provisions of any Tariff Act prior to the Tariff Act of 1930 shall be deemed to have been satisfied upon the effective date of this Act or upon the expiration of five years from the date such articles were entered, whichever is later, except with respect to any violation which has occurred or which shall have occurred before such time.

#### TEMPORARY FREE ENTRY FOR SAMPLES AND OTHER ARTICLES UNDER BOND

46 Stat. 690. SEC. 10. (a) (1) The part of section 308 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1308), following the heading and preceding the numbered items is amended to read as follows:

"The following articles, when not imported for sale or for sale on approval, may be admitted into the United States under such rules and regulations as the Secretary of the Treasury may prescribe, without the payment of duty, under bond for their exportation within one year from the date of importation, which period, in the discretion of the Secretary of the Treasury, may be extended, upon application, for one or more further periods which, when added to the initial one year, shall not exceed a total of three years:"

(2) The amendment made by paragraph (1) shall be effective with respect to articles imported before or after this section is enacted.



(b) Section 308 (3) of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1308 (3)) is amended by inserting immediately after the word "Samples" the following: "(but not including photoengraved printing plates imported to be reproduced)".

(c) Section 308 (4) of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1308 (4)) is amended to read as follows:

"(4) Articles intended solely for testing, experimental, or review purposes, including plans, specifications, drawings, blueprints, photographs, and similar articles for use in connection with experiments or for study, and upon satisfactory proof that any such article has been destroyed because of its use for any such purpose the obligation under such bond to export such articles shall be treated as satisfied;"

(d) Section 308 (5) of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1308 (5)), is further amended to read as follows: 52 Stat. 1079.

"(5) Automobiles, motorcycles, bicycles, airplanes, airships, balloons, boats, racing shells, and similar vehicles and craft, and the usual equipment of the foregoing; all the foregoing which are brought temporarily into the United States by nonresidents for the purpose of taking part in races or other specific contests;"

(e) Section 308 (7) of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1308 (7)), is amended to read as follows:

"(7) Containers for compressed gases, filled or empty, and containers or other articles in use for covering or holding merchandise (including personal or household effects) during transportation and suitable for reuse for that purpose;"

(f) Section 308 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1308), is further amended by changing the period at the end thereof to a semicolon and adding the following new subdivisions: 46 Stat. 690; 52 Stat. 1079.

"(10) Animals and poultry brought into the United States for the purpose of breeding, exhibition, or competition for prizes, and the usual equipment therefor;

"(11) Theatrical scenery, properties, and apparel brought into the United States by proprietors or managers of theatrical exhibitions arriving from abroad for temporary use by them in such exhibitions; and

"(12) Works of art, drawings, engravings, photographic pictures, and philosophical and scientific apparatus brought into the United States by professional artists, lecturers, or scientists arriving from abroad for use by them for exhibition and in illustration, promotion, and encouragement of art, science, or industry in the United States."

(g) Paragraph 1607 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1201, par. 1607), is amended to read as follows: 46 Stat. 673.

"PAR. 1607. (a) Teams of animals, including their harness and tackle, and the wagons or other vehicles actually owned by persons emigrating from foreign countries to the United States with their families, and in actual use for the purpose of such emigration, under such regulations as the Secretary of the Treasury may prescribe.

"(b) Wild animals and birds intended for exhibition in zoological collections for scientific or educational purposes, and not for sale or profit."

(h) Paragraph 1747 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1201, par. 1747), is amended by changing the second semicolon to a period and deleting the remainder of the paragraph. 46 Stat. 680.

(i) Paragraph 1808 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1201, par. 1808), is repealed. Repeal. 46 Stat. 684.

SUPPLIES AND EQUIPMENT FOR VESSELS AND AIRCRAFT

52 Stat. 1080, and (b)), relating to articles for certain vessels and aircraft, are further amended to read as follows:

“(a) **EXEMPTION FROM DUTIES AND TAXES.**—Articles of foreign or domestic origin may be withdrawn, under such regulations as the Secretary of the Treasury may prescribe, from any customs bonded warehouse, from continuous customs custody elsewhere than in a bonded warehouse, or from a foreign-trade zone free of duty and internal-revenue tax, or from any internal-revenue bonded warehouse, from any brewery, or from any winery premises or bonded premises for the storage of wine, free of internal-revenue tax—

“(1) for supplies (not including equipment) of (A) vessels or aircraft operated by the United States, (B) vessels of the United States employed in the fisheries or in the whaling business, or actually engaged in foreign trade or trade between the Atlantic and Pacific ports of the United States or between the United States and any of its possessions, or (C) aircraft registered in the United States and actually engaged in foreign trade or trade between the United States and any of its possessions; or

“(2) for supplies (including equipment) or repair of (A) vessels of war of any foreign nation, or (B) foreign vessels employed in the fisheries or in the whaling business, or actually engaged in foreign trade or trade between the United States and any of its possessions, where such trade by foreign vessels is permitted; or

“(3) for supplies (including equipment), ground equipment, maintenance, or repair of aircraft registered in any foreign country and actually engaged in foreign trade or trade between the United States and any of its possessions, where trade by foreign aircraft is permitted. With respect to articles for ground equipment, the exemption hereunder shall apply only to duties and to taxes imposed upon or by reason of importation.

“(b) **DRAWBACK.**—Articles withdrawn from bonded warehouses, bonded manufacturing warehouses, continuous customs custody elsewhere than in a bonded warehouse, or from a foreign-trade zone, and articles of domestic manufacture or production, laden as supplies upon any such vessel or aircraft of the United States or laden as supplies (including equipment) upon, or used in the maintenance or repair of, any such foreign vessel or aircraft, shall be considered to be exported within the meaning of the drawback provisions of this Act.”

52 Stat. 1081. (b) Section 317 (b) of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1317 (b)), is amended to read as follows:

Supra. “(b) The shipment or delivery of any merchandise for use as supplies (including equipment) upon, or in the maintenance or repair of any vessel or aircraft described in subdivision (2) or (3) of section 309 (a) of this Act, or for use as ground equipment for any such aircraft, shall be deemed an exportation within the meaning of the customs and internal-revenue laws applicable to the exportation of such merchandise without the payment of duty or internal-revenue tax. With respect to merchandise for use as ground equipment, such shipment or delivery shall not be deemed an exportation within the meaning of the internal-revenue laws relating to taxes other than those imposed upon or by reason of importation.”

(c) Section 3115 of the Revised Statutes, as amended (U. S. C., 1946 edition, title 19, sec. 258), is further amended by— 46 Stat. 719.

(1) striking out the comma at the end of paragraph (2) and inserting in lieu thereof “; or” and inserting after paragraph (2) the following new paragraph:

“(3) That such equipments, or parts thereof, or materials, or labor, were used as dunnage for cargo, or for the packing or shoring thereof, or in the erection of temporary bulkheads or other similar devices for the control of bulk cargo, or in the preparation (without permanent repair or alteration) of tanks for the carriage of liquid cargo;” and

(2) striking out “such equipments” the last place it appears in such section and inserting in lieu thereof “such equipments or parts thereof or materials”.

#### DRAWBACK

SEC. 12. (a) Section 313 (b) of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1313 (b)), is further amended by deleting “one year” and substituting therefor “three years”. 65 Stat. 175.

(b) Section 313 (c) of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1313 (c)), is amended by inserting “or shipped without the consent of the consignee” after “sample or specifications”; by deleting “thirty days” and substituting therefor “ninety days”; and by inserting “unless the Secretary authorizes in writing a longer time,” following “after release from customs custody.” 46 Stat. 694.

(c) Section 313 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1313), is further amended by revising subsections (h) and (i) thereof to read as follows: 46 Stat. 694;

“(h) TIME LIMITATION ON EXPORTATION.—No drawback shall be allowed under the provisions of this section unless the completed article is exported within five years after importation of the imported merchandise. 49 Stat. 1960.

“(i) REGULATIONS.—Allowance of the privileges provided for in this section shall be subject to compliance with such rules and regulations as the Secretary of the Treasury shall prescribe, which may include, but need not be limited to, the fixing of a time limit within which drawback entries or entries for refund under any of the provisions of this section or section 309 (b) of this Act shall be filed and completed, and the designation of the person to whom any refund or payment of drawback shall be made.” Ante, p. 514.

#### ADMINISTRATIVE EXEMPTIONS

SEC. 13. Section 321 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1321), is amended to read as follows: 52 Stat. 1081.

#### “SEC. 321. ADMINISTRATIVE EXEMPTIONS.

“(a) The Secretary of the Treasury, in order to avoid expense and inconvenience to the Government disproportionate to the amount of revenue that would otherwise be collected, is hereby authorized, under such regulations as he shall prescribe, to—

“(1) disregard a difference of less than \$3 between the total estimated duties or taxes deposited, or the total duties or taxes tentatively assessed, with respect to any entry of merchandise and the total amount of duties or taxes actually accruing thereon; and

“(2) admit articles free of duty and of any tax imposed on or by reason of importation, but the aggregate value of articles



All 67 Stat. 516.

imported by one person on one day and exempted from the payment of duty shall not exceed—

“(A) \$10 in the case of articles sent as bona fide gifts from persons in foreign countries to persons in the United States, or

“(B) \$10 in the case of articles accompanying, and for the personal or household use of, persons arriving in the United States who are not entitled to any exemption from duty or tax under paragraph 1798 (c) (2) of this Act, or

“(C) \$1 in any other case.

The privilege of this subdivision (2) shall not be granted in any case in which merchandise covered by a single order or contract is forwarded in separate lots to secure the benefit of this subdivision (2).

“(b) The Secretary of the Treasury is authorized by regulations to diminish any dollar amount specified in subsection (a) and to prescribe exceptions to any exemption provided for in such subsection whenever he finds that such action is consistent with the purpose of such subsection or is necessary for any reason to protect the revenue or to prevent unlawful importations.”

Ante, p. 511.

#### INTERNATIONAL TRAFFIC AND RESCUE WORK

SEC. 14. The Tariff Act of 1930, as amended, is further amended by adding immediately following section 321 (U. S. C., 1946 edition, title 19, sec. 1321) a new section reading as follows:

#### “SEC. 322. INTERNATIONAL TRAFFIC AND RESCUE WORK.

“(a) Vehicles and other instruments of international traffic, of any class specified by the Secretary of the Treasury, shall be granted the customary exceptions from the application of the customs laws to such extent and subject to such terms and conditions as may be prescribed in regulations or instructions of the Secretary of the Treasury.

“(b) The Secretary of the Treasury may provide by regulation or instruction for the admission, without entry and without the payment of any duty or tax imposed upon or by reason of importation, of—

“(1) aircraft, equipment, supplies, and spare parts for use in searches, rescues, investigations, repairs, and salvage in connection with accidental damage to aircraft;

“(2) fire-fighting and rescue and relief equipment and supplies for emergent temporary use in connection with conflagrations; and

“(3) rescue and relief equipment and supplies for emergent temporary use in connection with floods and other disasters.

Any articles admitted under the authority of this subsection and used otherwise than for a purpose herein expressed, or not exported in such time and manner as may be prescribed in the regulations or instructions herein authorized, shall be forfeited to the United States.”

#### SIGNING AND DELIVERY OF MANIFESTS

SEC. 15. Section 431 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1431), is amended by designating the matter now therein as subsection (a) and by adding a new subsection to read as follows:

“(b) Whenever a manifest of articles or persons on board an aircraft is required for customs purposes to be signed, or produced or delivered to a customs officer, the manifest may be signed, produced, or delivered by the pilot or person in charge of the aircraft, or by any other authorized agent of the owner or operator of the aircraft, subject to such regulations as the Secretary of the Treasury may prescribe. If any irregularity of omission or commission occurs in any way in respect

46 Stat. 710.

of any such manifest, the owner or operator of the aircraft shall be liable for any fine or penalty prescribed by law in respect of such irregularity."

CERTIFIED INVOICES AND ENTRY OF MERCHANDISE

SEC. 16. (a) Section 482 (a) of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1482 (a)), is amended by substituting "re- 46 Stat. 720.  
quired pursuant to section 484 (b) of this Act to be certified" for Infra.

"covering merchandise exceeding \$100 in value" in the first clause.  
(b) Section 484 (a) of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1484 (a)), is amended by deleting "forty-eight hours" and 46 Stat. 722.  
substituting therefor "five days".

(c) Section 484 (b) of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1484 (b)), is amended to read as follows: 46 Stat. 722.

"(b) PRODUCTION OF CERTIFIED INVOICE.—The Secretary of the Treasury shall provide by regulation for the production of a certified invoice with respect to such merchandise as he deems advisable and for the terms and conditions under which such merchandise may be permitted entry under the provisions of this section without the production of a certified invoice."

(d) Section 498 (a) (1) of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1498 (a) (1)) is amended to read as follows: 46 Stat. 728.

"(1) Merchandise, imported in the mails or otherwise, when the aggregate value of the shipment does not exceed such amount, not greater than \$250, as the Secretary of the Treasury shall specify in the regulations, and the specified amount may vary for different classes or kinds of merchandise or different classes of transactions;"

(e) Section 498 (a) of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1498 (a)) is further amended by deleting subdivision (11) 46 Stat. 728.  
and substituting therefor a new subdivision to read as follows:

"(11) Merchandise within the provisions of paragraph 1631 of this Act."

(f) The Act of June 8, 1896 (U. S. C., 1946 edition, title 19, secs. 472-475), is hereby repealed. Repeal.  
29 Stat. 263.

VERIFICATION OF DOCUMENTS

SEC. 17. Section 486 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1486), is amended by changing the heading to read 46 Stat. 725.

"SEC. 486. ADMINISTRATION OF OATHS—VERIFICATION OF DOCUMENTS."

and by adding at the end thereof the following new subsection:

"(d) VERIFICATION IN LIEU OF OATH.—The Secretary of the Treasury may by regulation prescribe that any document required by any law administered by the Customs Service to be under oath may be verified by a written declaration in such form as he shall prescribe, such declaration to be in lieu of the oath otherwise required."

AMENDMENT OF ENTRIES

SEC. 18. (a) Section 487 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1487) is amended by deleting therefrom "or at 46 Stat. 725.  
any time before the invoice or the merchandise has come under the observation of the appraiser for the purpose of appraisement,"

(b) Section 489 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1489) is amended by deleting the first two paragraphs. 46 Stat. 725.

(c) Section 501 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1501), is further amended by changing the 46 Stat. 730.

All 67 Stat. 518.

period at the end of the first sentence to a comma and by inserting thereafter "or (3) in any case, if the consignee, his agent, or his attorney requests such notice in writing before appraisement, setting forth a substantial reason for requesting the notice.", by inserting in the second sentence after "appraiser" the clause ", including all determinations entering into the same," and by deleting the third sentence of the section.

46 Stat. 731. (d) Section 503 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1503), is amended by deleting subsection (b), by redesignating subsection (c) as subsection (b), and by amending subsection (a) to read as follows:

Infra. " (a) GENERAL RULE.—Except as provided in section 562 of this Act (relating to withdrawal from manipulating warehouses), the basis for the assessment of duties on imported merchandise subject to ad valorem rates of duty shall be the final appraised value."

Repeal. (e) The Act of July 12, 1932 (ch. 473, 47 Stat. 657; U. S. C., 1946 edition, title 19, sec. 1503a), is repealed.

46 Stat. 745; 52 Stat. 1077. (f) Section 562 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1562), is further amended by changing the third sentence to read as follows: "The basis for the assessment of duties on such merchandise so withdrawn for consumption shall be the adjusted final appraised value, and if the rate of duty is based upon or regulated in any manner by the value of the merchandise, such rate shall be based upon or regulated by such adjusted final appraised value."

#### COMMINGLED MERCHANDISE

46 Stat. 732. SEC. 19. Section 508 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1508) is amended to read as follows:

##### "SEC. 508. COMMINGLING OF GOODS.

"(a) Whenever dutiable merchandise and merchandise which is free of duty or merchandise subject to different rates of duty are so packed together or mingled that the quantity or value of each class of such merchandise cannot be readily ascertained by the customs officers (without physical segregation of the shipment or the contents of any entire package thereof), by one or more of the following means: (1) Examination of a representative sample, (2) occasional verification of packing lists or other documents filed at the time of entry, or (3) evidence showing performance of commercial settlement tests generally accepted in the trade and filed in such time and manner as may be prescribed by regulations of the Secretary of the Treasury, and if the consignee or his agent shall not segregate the merchandise pursuant to subsection (b), then the whole of such merchandise shall be subject to the highest rate of duty applicable to any part thereof.

"(b) Every segregation of merchandise made pursuant to this section shall be accomplished by the consignee or his agent at the risk and expense of the consignee within thirty days after the date of personal delivery or mailing, by such employee as the Secretary of the Treasury shall designate, of written notice to the consignee that the merchandise is commingled, unless the Secretary authorizes in writing a longer time. Every such segregation shall be accomplished under customs supervision, and the compensation and expenses of the supervising customs officers shall be reimbursed to the Government by the consignee under such regulations as the Secretary of the Treasury may prescribe.



"(c) The foregoing provisions of this section shall not apply with respect to any part of a shipment if the consignee or his agent shall furnish, in such time and manner as may be prescribed by regulations of the Secretary of the Treasury, satisfactory proof (1) that such part (A) is commercially negligible, (B) is not capable of segregation without excessive cost, and (C) will not be segregated prior to its use in a manufacturing process or otherwise, and (2) that the commingling was not intended to avoid the payment of lawful duties or any part thereof. Any merchandise with respect to which such proof is furnished shall be considered for all customs purposes as a part of the merchandise, subject to the next lower rate of duty (including a free rate), with which it is commingled.

"(d) The foregoing provisions of this section shall not apply with respect to any shipment if the consignee or his agent shall furnish, in such time and manner as may be prescribed by regulations of the Secretary of the Treasury, satisfactory proof (1) that the value of the commingled merchandise is less than the aggregate value would be if the shipment were segregated; (2) that the shipment is not capable of segregation without excessive cost and will not be segregated prior to its use in a manufacturing process or otherwise; and (3) that the commingling was not intended to avoid the payment of lawful duties or any part thereof. Any merchandise with respect to which such proof is furnished shall be considered for all customs purposes to be dutiable at the rate (including a free rate) applicable to the material present in greater quantity than any other material."

#### CORRECTION OF ERRORS AND MISTAKES

SEC. 20. Subdivisions (1) and (2) of section 520 (c) of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1520 (c)), 52 Stat. 1086. are further amended to read as follows:

"(1) a clerical error, mistake of fact, or other inadvertence not amounting to an error in the construction of a law, adverse to the importer and manifest from the record or established by documentary evidence, in any entry, liquidation, appraisement, or other customs transaction, when the error, mistake, or inadvertence is brought to the attention of the customs service within one year after the date of entry, appraisement, or transaction, or within sixty days after liquidation or exaction when the liquidation or exaction is made more than ten months after the date of the entry, appraisement, or transaction; or

"(2) any assessment of duty on household or personal effects in respect of which an application for refund has been filed, with such employee as the Secretary of the Treasury shall designate, within one year after the date of entry."

#### TRANSFERS OF GOODS IN BONDED WAREHOUSE

SEC. 21. (a) Section 557 (b) of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1557 (b)), is further amended to 52 Stat. 1087. read as follows:

"(b) The right to withdraw any merchandise entered in accordance with subsection (a) of this section for the purposes specified in such subsection may be transferred upon compliance with regulations prescribed by the Secretary of the Treasury and upon the filing by the

19 USC 1562,  
1563.

19 USC 1514.

19 USC 1501.

19 USC 1562,  
1311.

transferee of a bond in such amount and containing such conditions as the Secretary of the Treasury shall prescribe. The bond shall include an obligation to pay, with respect to the merchandise the subject of the transfer, all unpaid regular, increased, and additional duties, all unpaid taxes imposed upon or by reason of importation, and all unpaid charges and exactions. Such transfers shall be irrevocable, shall relieve the transferor from all customs liability with respect to obligations assumed by the transferee under the bond herein provided for, and shall confer upon the transferee all rights to the privileges provided for in this section and in sections 562 and 563 of this Act which were vested in the transferor prior to the transfer. The transferee shall also have the right to receive all lawful refunds of moneys paid by him to the United States with respect to the merchandise the subject of the transfer, but shall have no right to file any protest under section 514 of this Act except as to decisions with respect to his rights under subsection (c) of this section or under section 562 or 563 of this Act or against a decision as to the rate or amount of duty, tax, charge, or exaction when such rate or amount has been changed by statute or proclamation on or after the date of the transfer. The transferee shall have no right to file an appeal for reappraisalment under section 501 of this Act, except when subsequent to the transfer and before a withdrawal for consumption has been deposited for the merchandise, it has been changed in condition pursuant to the provisions of section 562 or 311 of this Act in a manner which necessitates that it be appraised in its changed condition in order that the correct amount of duties may be assessed. No new or separate liquidation, reliquidation, or determination shall be made in the name of, or on behalf of, a transferee, except with regard to any matter which may arise under subsection (c) of this section or section 562 or 563 of this Act when the transferee has invoked either of these sections, and in the case of a statutory or proclaimed change in the rate of duty, tax, charge, or exaction applicable to the merchandise the subject of the transfer and effective on or after the date of the transfer. A transferee may further transfer the right to withdraw merchandise, subject to the provisions of this subsection relating to original transfers."

(b) Notwithstanding any other provision of this Act, the foregoing subsection (a) shall be effective with respect to merchandise entered after the date of the enactment of this Act and to merchandise which has been entered before that date and is the subject of a transfer within the purview of section 557 (b) of the Tariff Act, as amended by this Act, and made after the date of the enactment of this Act.

Ante, p. 519.

#### CUSTOMS SUPERVISION

46 Stat. 761.

SEC. 22. The Tariff Act of 1930, as amended, is further amended by adding following section 645 (U. S. C., 1946 edition, title 19, sec. 1645) a new section 646, reading as follows:

#### "SEC. 646. CUSTOMS SUPERVISION.

"Wherever in this Act any action or thing is required to be done or maintained under the supervision of customs officers, such supervision may be direct and continuous or by occasional verification as may be required by regulations of the Secretary of the Treasury, or, in the absence of such regulations for a particular case, as the principal customs officer concerned shall direct."

SAVING CLAUSE

SEC. 23. Except as may be otherwise provided for in this Act, the repeal of existing law or modifications thereof embraced in this Act shall not affect any act done, or any right accruing or accrued, or any suit or proceeding had or commenced in any civil or criminal case prior to such repeal or modification, but all liabilities under such laws shall continue, except as otherwise specifically provided in this Act, and may be enforced in the same manner as if such repeal or modification had not been made.

Approved August 8, 1953.



1. The first step in the process is to identify the problem or issue that needs to be addressed. This involves gathering information and understanding the context of the problem.

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